



# ***Daily Report***

## **China**

**FBIS-CHI-95-047**  
**Friday**  
**10 March 1995**

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# Daily Report

## China

FBIS-CHI-95-047

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**HONG KONG & MACAO**

**Hong Kong**

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**General**

**Further on Foreign Ministry News Conference**

**Notes Mexican Peso Crisis**

*HK0903121995 Hong Kong AFP in English 1053 GMT 9 Mar 95*

[FBIS Transcribed Text] Beijing, March 9 (AFP)—China said Thursday it hoped to learn from “in-depth studies” into Mexico’s financial crisis, but placed most of the onus for maintaining international market stability on industrialised countries.

“Both Mexico and China are countries of net inflow,” foreign ministry spokesman Shen Guofang told a weekly news briefing. “Since the financial crisis in Mexico broke out, the relevant departments of the Chinese government and financial organisations, academies and institutes have carried out in-depth studies of this crisis and we hope to learn some lessons from it,” Shen said.

However, he denied that financial reforms in China would be motivated by the situation in Mexico, saying “policies are made in accordance with the actual conditions of China.”

The similarities between Mexico and China, both developing countries soaking up large amounts of foreign funds, have attracted international attention since a 40 percent devaluation of the Mexican peso began in December amid huge outflows of capital. However, economists believe similar capital flight is unlikely from China, where, unlike Mexico, most direct investment is in long-term projects rather than short-term speculation.

The foreign ministry spokesman blamed Mexico’s difficulties on “the synthesis of various factors,” putting particular emphasis on “external factors” like higher interest rates in some industrialised countries. The crisis highlighted the necessity of strengthening policy coordination between countries to keep pace with the integration of the global economy, he said. “The industrialised countries bear special responsibility for maintaining the stability of financial markets,” Shen said. “We hope the international financial organisations will play a greater role in strengthening policy coordination between the various countries.”

**Views Human Rights Resolution**

*HK0903150395 Beijing ZHONGGUO XINWEN SHE in Chinese 1324 GMT 9 Mar 95*

[FBIS Translated Text] Beijing, 9 Mar (ZHONGGUO XINWEN SHE)—Chinese Foreign Ministry spokesman Shen Guofang said here today that, by taking the lead in dishing out an anti-China resolution at the UN Commission on Human Rights, the United States has wantonly interfered in China’s internal affairs [mei guo zhe ci dai tou zai lian he guo ren quan wei yuan hui shang gao fan hua jue yi, cu bao gan she liao zhong guo de nei zheng

5019 0948 6638 2945 1601 7333 0961 5114 0678 0948 0086 2938 1201 0765 2585 0006 2269 0646 5478 0414 6231, 4723 2552 1626 3195 0055 0022 0948 4104 0355 2398]. The Chinese people are resolutely against this and will never accept it.

What the United States has done will bring an adverse impact on Sino-U.S. dialogue on human rights and cooperation in various fields, Shen said.

China hopes that the United States will change its course and resolve the problems in the field of human rights through international cooperation and talks, and through consultations on an equal basis, rather than resorting to confrontation in the multilateral field of human rights, Shen Guofang stated.

China has consistently advocated, and has always been willing to conduct dialogue on human rights based on equality and mutual respect, the spokesman reiterated.

Whether the resolution is adopted or not, the Chinese Government attaches importance to the protection of human rights, and is doing its best to enable the Chinese people to enjoy a wide range of basic freedoms, Shen Guofang stressed. This point remains unchanged. Shen said that he believed the Chinese people would enjoy more rights in various fields along with the deepening of China’s reform, the wider opening of the door to the outside world, further economic development, the popularization of education, and improvement in the people’s cultural qualities.

Shen Guofang said that Kantor’s visit to China will be focused on trade and economic relations between the two countries. There are bright prospects and a sound foundation for trade and economic cooperation between China and the United States. China hopes that Kantor’s visit to China will give impetus to Sino-U.S. relations, particularly in trade and economic cooperation.

**Views Li Teng-hui’s U.S. Visit**

*HK0903151395 Beijing ZHONGGUO XINWEN SHE in Chinese 1358 GMT 9 Mar 95*

[FBIS Translated Text] Beijing, 9 Mar (ZHONGGUO XINWEN SHE)—Foreign Ministry spokesman Shen Guofang said today: The Mainland opposes the visit of Li Teng-hui to the United States in whatever form. This has been our consistent position and principle.

Shen Guofang made the statement at a news briefing held this afternoon.

Shen stated that he hoped the United States can observe the three Sino-U.S. Joint Communiques, and that nothing in contravention of the three joint communiques will happen or appear; otherwise the development of Sino-U.S. relations certainly will be affected [ken ding hui ying xiang 5146 1353 2585 1758 0742].

In reply to the question as to whether or not Taiwan could join the World Trade Organization (WTO) ahead

of the mainland in case talks on the latter's entry to the WTO were stuck, Shen Guofang pointed out: One principle in the declaration of a General Agreement between Chairmen of the Executive Board [GACEB] in September 1992 is that the GACEB must pass a final deliberation on the PRC, and ensure that the PRC enters the organization, before the board can approach the issue of the entry of China Taipei.

Shen Guofang stressed: China has always kept open the door to negotiations on its entry into the WTO. As long as the concerned party relinquishes its excessively high or unreasonable demands, talks on entry into the WTO can be resumed.

On the problem of allowing living space for Taiwan, the spokesperson said: The Chinese Government has consistently upheld the one-China principle in international affairs and in handling matters related to the problem of Taiwan. At the same time, it also takes into consideration the needs of Taiwan's economic development, and it safeguards the practical interests of the Taiwan compatriots. Therefore, it does not object to Taiwan's efforts to develop nongovernmental, economic and cultural relationships with other countries; there is no such problem as space for activity or living.

Shen Guofang pointed out: We oppose the so-called effort to expand space for international activity, which is actually aimed at pursuing two Chinas, and one China, one Taiwan.

#### Li Peng Leaves for World Summit on Social Development

OW1003051095 Beijing XINHUA in English 0500  
GMT 10 Mar 95

[FBIS Transcribed Text] Beijing, March 10 (XINHUA)—Chinese Premier Li Peng left here this morning for Denmark to attend the United Nations World Summit on Social Development to be held on March 11-12 at the invitation of UN Secretary General Butrus-Butrus Ghali and Prime Minister of Denmark Poul Nyrup Rasmussen.

The Chinese Premier was seen off at the Great Hall of the People by Vice-Premiers Zhu Rongji, Qian Qichen, and Li Lanqing; Luo Gan, Secretary General of the State Council; and other senior leaders from the National People's Congress (NPC) Standing Committee and the National Committee of the Chinese People's Political Consultative Conference (CPPCC).

Accompanying the premier on his trip are his wife Zhu Lin; Chen Jinhua, minister in charge of the State Planning Commission; Liu Huaqiu, head of the State Council's Foreign Affairs Office and vice-foreign minister; and other government officials.

In his remarks to XINHUA before leaving, Li described the Summit as the first of its kind in UN history, and

heads of state or heads of government from more than 100 countries will get together to discuss global social development.

Li said that this shows that the issue of social development has caught the attention of various countries and peoples and that it has become an important arena that requires increasing international cooperation.

The Summit is taking as its main theme the eradication of poverty, creation of jobs and social harmony, which plays a positive role in promoting global economic and social development, strengthening cooperation, and helping solve global social problems, Li said.

As the biggest developing country in the world, China has long attached great importance to social development, Li said, adding that various social programs have developed along with the economic growth in the past 16 years thanks to the country's reforms and opening up to the outside world.

The Chinese leader said that the Chinese Government actively supports the Summit and has done its best to prepare for it. He is now leaving for the World Summit at a time when the NPC and the CPPCC are in session and this shows that the Chinese Government places much importance on the issue of social development and the Summit, he added.

The Chinese Government has devoted great efforts not only to the coordinated development between the country's economy and social progress but also to strengthening international cooperation in this area, Li said.

The Chinese Government will, therefore, play an active role with a constructive attitude in participating in the activities of the Summit while airing its policies on global social development, he said.

During the Summit, Li said, he expects to hold talks with leaders of many countries on international issues, bilateral relations, and other issues of common concern.

The Chinese leader expressed his belief that all the activities during the Summit will be conducive to the cooperation on the basis of equality and mutual benefit in the area of social development and other international affairs, and help promote the further growth of China's relations with these countries.

#### Daily on Li Peng's Schedule

HK1003054695 Hong Kong WEN WEI PO in Chinese  
10 Mar 95 p A4

[Dispatch by staff reporters Tai Bao-erh (2071 1405 0334) and Chu Kuo-chiu (2612 0948 4428); "Li Peng To Arrive in Copenhagen Today To Attend UN Summit on Social Development"]

[FBIS Translated Text] Copenhagen, 9 Mar (WEN WEI PO)—Chinese State Council Premier Li Peng and his party will arrive in Copenhagen by a special plane of

China Airlines at noon tomorrow to attend the World Summit for Social Development to be held here. Also arriving on the same plane will be Chen Jinhua, head of the Chinese delegation and minister of the State Planning Commission, among others.

At 1730 tomorrow, Premier Li Peng will meet UN Secretary General Ghali to exchange views with him on a wide range of subjects under discussion at the current summit.

On the morning of 11 March, Premier Li Peng will attend the plenary meeting and deliver an important speech to elaborate on Chinese Government's position on the issue of social development. After that, he will hold bilateral talks with Pakistani President Leghari, Finnish President Ahtisaari, and Indonesian President Suharto. At noon, Premier Li Peng will attend the working luncheon hosted by Danish Prime Minister Rasmussen. In the afternoon, he will hold bilateral talks with Japanese Prime Minister Tomiichi Murayama, Chilean President Frei, and Sri Lankan President Kumaratunga. In the evening, Premier Li Peng will attend a dinner given by Danish Queen Margrethe II at Krischinsburg Palace.

On the morning of 12 March, Premier Li Peng is scheduled for bilateral talks with ROK President Kim Yong-Sam, Spanish Prime Minister Gonzalez, German Chancellor Kohl, and Indian Prime Minister Rao. In the afternoon, he will meet Austrian Chancellor Vranitzky. At 1900 in the evening, he will fete some state leaders attending the summit, including leaders from Thailand, Malaysia, Bangladesh, Ghana, Zimbabwe, South Africa, Ethiopia, Eritrea, and Kazakhstan.

Premier Li Peng and his party will leave Copenhagen for home by a special plane on the afternoon of 13 March.

#### Rong Yiren Meets Fishery Ministers, Ambassadors

OW1003092495 Beijing XINHUA in English 0840  
GMT 10 Mar 95

[FBIS Transcribed Text] Beijing, March 10 (XINHUA)—Chinese Vice-President Rong Yiren met here today with ministers of fisheries of Mauritania, the Sultanate of Oman, Sierra Leone and Senegal and ambassadors of the four countries to China.

They have attended the celebrations for the 10th anniversary of China's deep-sea fisheries and the 10th anniversary of the founding of China Marine Products Corporation.

Rong said that over the past decade, China developed economic and technological cooperation in fisheries with many foreign countries on the basis of mutual benefit and reciprocity, deepening mutual understanding and promoting the growth of fisheries.

He said that China has won support from governments of many countries in developing its deep-sea fisheries.

He expressed a desire to further bilateral cooperation in fisheries and boost the growth of economies.

Liu Jiang, minister of Agriculture, was present at the meeting.

#### Commentary Views Human Rights Resolutions's Defeat

OW1003230295 Beijing XINHUA in English 1853  
GMT 9 Mar 95

[‘Commentary’ by Chen Heagao: “Say No to Politicization of Human Rights”]

[FBIS Transcribed Text] Geneva, March 9 (XINHUA)—The 51st session of the UN Human Rights Commission Wednesday [8 March] rejected a draft resolution introduced by the U.S. and members of the European Union on the so-called human rights situation in China, thus defeating the latest attempt by the West to exploit the human rights issue for political ends.

The failure of the U.S. and other Western countries at the meeting shows again that their adoption of double standards to politicize human rights is more notorious in today's world.

Since its founding in 1949, especially since its adoption of the policy of reform and opening up to the outside world more than 10 years ago, China has made universally recognized achievements in every field. The Chinese people are now enjoying economic prosperity, social stability and national unity.

While taking the development of the national economy as the focus of the government's work, China attaches great importance to the construction and improvement of democracy and of the legal system, and has achieved great success in protecting and promoting the fundamental human rights of the people of all ethnic groups in the country.

This has gained full confirmation and a fair appraisal from people who have a real understanding of China and hold no bias against it.

But the U.S. and other Western countries always ignore the achievements China has made in the field of human rights. Posing as the “judge of human rights,” they have made one after another comment arbitrarily concerning China's internal affairs.

With ulterior political motives, they have tabled draft resolutions against China at the annual session of the UN Human Rights Commission year after year, although their attempts have always ended in failure.

Why do these countries repeatedly try to beat China with the stick of human rights? The reason is quite simple. They are not happy to see a China that enjoys political stability and rapid economic development, and that dares to follow the road it has chosen for itself.

So, under the pretext of the so-called question of human rights, the United States and its allies have made every effort to distort China's true image and create trouble for China in the hope that China will be forced into abandoning the path of development the Chinese people have chosen for themselves.

With regard to the human rights issue, some of the co-sponsors of the anti-China resolution still owe a debt to China because of their past actions. But now they pretend to be defenders of human rights and improperly criticize China's internal affairs, which will undoubtedly spark indignation among the Chinese people.

In an effort to force the adoption of this year's draft resolution against China, its main co-sponsors, particularly the U.S., vigorously lobbied and even Unscrupulously attempted to coerce some member states of the Human Rights Commission.

Such a behavior has laid bare their true nature of hegemonism and power politics, and this became even more evident while John Shattuck, the U.S. Assistant Secretary of State for Humanitarian Affairs, tried to deny the charge at a press conference following Wednesday's vote.

The anti-China resolution, which aims at promoting Western values and social systems, has not been targeted at China alone but at the developing countries at large. That is why it was firmly rejected by the developing countries at the meeting.

Because of its pursuit of an independent foreign policy in all international affairs, China is regarded by the Western countries as one of the major obstacles to their practice of hegemonism and power politics.

Therefore, the United States and some other Western countries have chosen the so-called question of human rights as a political weapon against China.

Nonetheless, many developing countries have expressed their highest praise for the achievements made by China in all fields, including that of human rights.

Clearly perceiving the true nature of the anti-China resolution, most developing countries refused to accept the Western group's rude and unreasonable manner of action.

The failure suffered by the Western group Wednesday also shows that creating political confrontation in the field of human rights no longer works.

In fact, owing to the tremendous differences in historical background, social system, cultural tradition and economic development, countries in various parts of the world in no way hold the same view as to the explanation and practice of human rights.

Therefore, differences over the issue of human rights can only be resolved through dialogue and cooperation on an equal footing and on the basis of mutual respect.

But the U.S. and its Western allies, seeking their own interests, are always accusing other countries of violating human rights, simply because their social systems, religions and historical and cultural traditions differ from those of the Western countries.

Such a practice is a new form of racial discrimination in the current world affairs.

No nations that interfere in other countries' internal affairs under any pretext, or practice hegemonism and power politics in any manner, will be able to gain popular support, nor will they immune from resistance on the part of the international community.

This has been proved once again at the 51st session of the UN Human Rights Commission.

#### UN Resolution Represents 'Setback' for PRC

*HK1003055095 Hong Kong SOUTH CHINA MORNING POST in English 10 Mar 95 p 22*

[Editorial: "Showing Disapproval"]

[FBIS Transcribed Text] China's defeat of a United Nations motion condemning its human rights record was narrow enough not to encourage any false sense of security. The resolution backed by the European Union, the United States and Japan failed by only one vote, and even its coming to a vote was a set-back for Chinese diplomacy. It is the first time since the 1989 Beijing massacre that the UN Commission on Human Rights has not been persuaded to drop discussion of any resolution criticising China's record.

Nevertheless, with the National People's Congress in full swing, China will be tempted to present the vote of 21 against, 20 for and 12 abstentions as a victory and to portray the resolution domestically as politically motivated attack by the West. In its earlier lobbying it claimed the draft resolution was intended to undermine its economic development and that of the Third World as a whole. Such argument is misdirected and its effect can only be to blind the Chinese leadership itself.

There is no logical reason why support for the rights and freedoms of 1.2 billion Chinese should be considered a menace to development. There is even less reason why the West should begrudge them an improvement in their standard of living. Western nations, after all, see trade with China as a key to the continued recovery of their economies and more trade requires more growth and development in China.

It is dictatorships, not democracies, which have reason to fear the political awareness which comes with easier physical conditions. As the Taiwanese and Korean examples prove, neither the introduction of democracy nor the rule of law is inimical to economic development, even in a society with Confucian traditions. On the contrary, as Governor Chris Patten argued in Singapore yesterday, liberty under the law is not an optional add-on

which a society can earn at a given level of economic development. It is a way of life which helps an economy to advance. As Singapore itself has recognised, the rule of law is essential to growth and development.

Concern about China's human rights record, whether in Tibet or elsewhere, is not going to go away simply because Beijing wants to think it is unimportant. As the Japanese and Latin American support for the motion shows, human rights are not a peculiarly Western interest. The United Nations—of which China is a member—rightly regards them as universal. China desires, rightly, to be a full member of the international community when it comes to trade. It cannot at the same time ignore the rules of internationally acceptable behaviour in other fields.

**Trade Accord Signed With Pakistan, CIS States**  
*OW0903141395 Beijing XINHUA in English 1346  
GMT 9 Mar 95*

[FBIS Transcribed Text] Islamabad, March 9 (XINHUA)—China, Pakistan, Kazakhstan and Kyrgyzstan today signed a quadrilateral trade transit agreement, providing trade transit convenience to each other's trade convoys.

China's Vice Minister of Communication Li Juchang, Kyrgyz Minister of Transport M. Ablesov, Pakistani Secretary of Ministry of Communications Mohammad Sher Khan [name as received] and Kazakhstan Minister of Transport Serik Qarabatyruly Alighozhanov signed the agreement on behalf of their respective countries.

Under the agreement, the four countries will use the highway from Almaty in Kazakhstan via Bishkek of Kyrgyzstan, Kashi of China to Karachi of Pakistan as the trade transit route. The total length of the road is about 3,400 kilometers.

The four countries should provide convenience for each other's trade convoys using the route.

Talking to XINHUA correspondent, Vice Minister Li Juchang of China said the opening of the route will greatly promote the exchange of the goods, technology and personnel among the four countries.

Delegates from the other three countries expressed the similar view, hoping the route will bring prosperity to all the four countries.

It is the first quadrilateral trade transit agreement China has signed, although it has signed bilateral trade transit agreement with nine neighboring countries since 1992.

**UN Chief Stresses Realization of Women's Rights**  
*OW0803140295 Beijing XINHUA in English 1306  
GMT 8 Mar 95*

[FBIS Transcribed Text] Copenhagen, March 8 (XINHUA)—UN Secretary-General Butrus Butrus-Ghali

stressed here today the importance of realizing women's rights and bettering their social status.

Addressing a special plenary of the World Summit for Social Development, which began on Monday [6 March], the UN chief said that the problems faced by women everywhere "lie at the heart of the global agenda."

He made the statement to mark the International Women's Day, which was proclaimed here in the Danish capital 85 years ago.

"On International Women's Day we celebrate past achievements, discuss continuing problems and stimulate action for future," said Butrus-Ghali.

He pointed out: "Until the rights and full potential of women are achieved, enduring solutions to the world's most serious social, economic and political problems cannot be achieved."

UN says that women make up 70 percent of the impoverished populace worldwide, bearing the unproportional economic and social hardship.

The summit, the first ever to specifically deal with social problems, gave a whole day today for representatives from all over the world to speak out their concerns over women's downgraded conditions.

Butrus-Ghali said: "In many cases, efforts to improve the lives of women offer the most immediate means of changing entire societies for the better."

"This is why the global conferences and summits, which are being convened by the United Nations, have women at their center," he added.

The gender issue was also stressed at the 1990 World Summit for Children, the 1992 Earth Summit in Rio, the 1993 World Conference on Human Rights in Vienna and the 1994 International Conference on Population and Development in Cairo.

"Poverty cannot be eliminated, productive employment cannot be expanded and social integration cannot be achieved unless women fully and equitably participate in social development," the UN chief said.

Poverty, unemployment and social disintegration are the core issues discussed at the current summit here in the Danish Capital.

"The next step is the Fourth World Conference on Women in Beijing in September," Butrus-Ghali said, hoping it would draw together what has been accomplished and point the way ahead.

"There is no better way to open the second half-century of the United Nations than by ensuring equality, peace and development for women by the opening of the twenty-first century," said the UN chief.

Some non-governmental organizations linked to women's movements planned to launch a campaign called "the 180 Days to Beijing" this evening with a torchlighting parade in the Danish capital.

**International Women's Day Celebrated in Beijing**  
*OW0803130695 Beijing XINHUA in English 1213  
 GMT 8 Mar 95*

[FBIS Transcribed Text] Beijing, March 8 (XINHUA)—More than 80 foreign women experts and wives of experts who are working in the Chinese capital gathered here today to mark March 8th, the International Working Women's Day.

Yang Hanyan, deputy director of the State Bureau of Foreign Experts, extended his festival greetings to those present and thanked them for the positive contributions they have made in promoting China's socialist cause.

Tian Shulan, member of the secretariat of the All-China Women's Federation, briefed them on preparations that her country has made for the Fourth World Conference on women, which is scheduled to be held in Beijing in September this year.

She noted that the conference is designed to examine and evaluate the implementation of the Nairobi Forward Looking Strategy and urge the international community and governments of all countries to make new promises on the issue of women.

During the conference, she added, the delegates are also expected to discuss and adopt a program of action on the implementation of the Nairobi Forward Looking Strategy.

China, as a host country, will work in close cooperation with all parties concerned and make full preparations for the successful convocation of the conference, she said.

Tian also answered a series of questions concerning the present situation of women in China at the gathering.

**Commentator Welcomes UN Social Development Summit**

*HK0803131295 Beijing RENMIN RIBAO in Chinese 6 Mar 95 p 6*

[Commentator's article: "Declaring War Against Poverty, Seeking Coordinated Development"]

[FBIS Translated Text] the world summit meeting on social development, which is being held by the United Nations, will open today in Copenhagen, capital of Denmark. This is another important international meeting on global development held by the United Nations since the 1992 summit meeting on environment and development in Rio de Janeiro and the 1994 Cairo assembly on population. Heads of state and government leaders from more than 100 countries will gather in the same place to jointly consider measures for resolving

social development issues facing the world. This is the first such activity in the history of the United Nations.

Mitigating and reducing poverty, expanding productive employment, and increasing social harmony is the main subject of the current meeting. Following the end of the Cold War, the status of political and military factors declined relatively in international affairs, and various economic and social problems long cloaked by the Cold War—such as the problems of environment, refugees, poverty, unemployment, population, crime, and drug consumption—became more and more prominent. Of the 2.8 billion working people in the world, about 30 percent cannot get productive jobs, and most such jobless people live in developing countries. The total number of unemployed people in the world exceeds 120 million, and another 700 million people are not fully employed. One of every three people in developing countries and one of every five people in the world is living in absolute poverty, hunger, and sickness. In particular, the conditions of such vulnerable human groups as women, the elderly, children, and the handicapped are extremely worrisome. While the economy is developing continuously, the gap between the rich and the poor also is widening rapidly. According to statistics kept by the United Nations, the richest 20 percent of people in the world population possess 83 percent of the world's total income, while the poorest 20 percent of people earn only 1.5 percent of total income. Even in such developed countries as the United States and the European Community countries, about 15 percent of people now live below the poverty line. Facts demonstrate again and again that technological progress and economic growth do not lead automatically to social and political stability. If we neglect to improve the comprehensive social environment within a country and in the world, as well as its overall effects, development will be lopsided and abnormal, and will not last long. Therefore, declaring war on poverty and seeking coordinated development have become pressing tasks of the moment for the international community. The Copenhagen summit shows that all countries in the world have paid attention to the aggravation of poverty, and have begun to actively seek a mode of coordinated and sustained socioeconomic development.

The convention of the world summit meeting on social development provides a good opportunity for various countries to carry out international cooperation in the field of social development. Without peace and stability, there will be no economic and social development. Therefore, creating and maintaining a stable international environment and establishing a new international economic order of fairness, reasonableness, mutual benefit, and cooperation is a necessary condition for resolving the issue of social development in all countries. The primary issue of the three main subjects of the meeting is the mitigation and reduction of poverty, and this is the key to resolving the issue of people's right to survive and develop. All countries should work out their own concrete policies, measures, and action schemes

according to their own national conditions so that the social development strategy be carried out broadly in various countries. The international community, and especially the developed countries, should respect the choices made by the developing countries; pay serious attention to their difficulties and problems; adopt effective steps to reduce their debt burdens; offer more financial and technological assistance to them; create an environment of openness, fairness, safety, nondiscrimination, predictability, and transparency, and based on multilateral rules; in order to make things conducive to the development of the developing countries and the most undeveloped countries.

Economic and social development should be interdependent and should promote each other. Economic development is the precondition and foundation for social development, while social development should be the consequence and aim of economic development. The aim of China's national development strategy is to coordinate its population, economic, social, environmental, and resource factors, and to ensure sustained development. In the 45 years since the founding of the PRC, our country has made achievements in many aspects of social development. We use 7 percent of the world's cultivated land to successfully feed 22 percent of the world's population; most people now can get sufficient food, clothing, housing, and other basic day-to-day necessities; and the living standards and life quality of the people are improving continuously. The excessive population growth in our country has been basically brought under control. China's achievements in eliminating poverty are acknowledged by the whole world. While achieving great results in economic reform, our country also faced increasingly prominent problems in social development. The government is making efforts to coordinate things in this regard through comprehensive planning and regulation in order gradually to resolve existing problems. The Chinese Government actively supports and participates in the preparations and convention of the world summit meeting on social development. This is not only aimed at fulfilling our own promise, but is also an actual need in China's development.

When the United Nations was founded, the UN Charter specified the aim of realizing social progress and improving the living conditions of all people. When greeting the 50th anniversary of the United Nations, we are glad to see that it is playing a more and more important role in promoting exchanges and cooperation in the field of social development. We deeply believe that a prosperous, progressive, and civilized world will need the active participation and coordinated action of all governments and peoples, and that all countries will benefit from such activities.

**U.S. Calls For DPRK To Accept ROK Reactors**  
OW0903010395 Beijing XINHUA in English 0026  
GMT 9 Mar 95

[FBIS Transcribed Text] Washington, March 8 (XINHUA)—The United States Wednesday [8 March]

repeated its call for Pyongyang to accept the two South Korean light-water reactors as delegates from a score of nations were gathering in New York to discuss the founding of the Korean Peninsula Energy Development Organization (KEDO).

"Our position is that there is no alternative" to the South Korean-design reactors, State Department Spokeswoman Christine Shelly said at a news conference.

She indicated that the timing of the meeting for KEDO "is probably not just coincidental" and it "confirms that there is no other alternative" to the South Korean offer.

Despite strong objections of the Democratic People's Republic of Korea (DPRK), the U.S., South Korea and Japan hosted a conference at the U.S. mission to the United Nations Wednesday to establish the KEDO.

The international consortium is aimed at raising funds and supplying technology for Washington's nuclear accord with Pyongyang. The heart of the agreement signed last October is to provide the DPRK two reactors in exchange for its freezing and finally dismantling the current nuclear programs.

Washington has insisted that the two reactors should simply be of South Korean design as it had agreed to provide a large part of some 4 billion U.S. dollars needed to carry out the nuclear deal.

However, Pyongyang has stated repeatedly that it would not accept the South Korean reactors as they were unsafe as "a nuclear time bombing."

The Democratic People's Republic of Korea warned in a statement earlier in the day the nuclear accord with the U.S. would be in danger if Washington and its western allies continue to try to force it to accept the South Korean reactors.

## United States & Canada

**Lu Ping To Explain Basic Law During U.S. Visit**  
HK0903134595 Hong Kong Television Broadcasts  
Limited in English 1200 GMT 9 Mar 95

[From the "News at 8:00" program]

[FBIS Transcribed Text] The director of the Hong Kong and Macao Affairs Office will lead a delegation to the United States next month. The aim is promote the Basic Law, and explain the post-1997 arrangements for Hong Kong. Lu Ping said his trip will be more important than those of Governor Chris Patten and Chief Secretary Anson Chan, that is because Britain can offer no guarantee on Hong Kong after the change of sovereignty. Jenny Lam reports from Beijing.

[Begin recording] [Lam] Lu Ping's grand tour of the United States will include six major cities, including

Washington and New York. He and five Preliminary Working Committee conveners will meet with various American congressmen.

[Lu Ping, in Mandarin with English subtitles; following translated from the Mandarin] Patten and Anson Chan had mentioned that the period after 1997 is a matter of the Chinese Government. That is why we must go to explain in the United States. The British have only two years or so to leave; they cannot offer any guarantee for the post-1997 period.

[Lam] He said many Americans do not understand the arrangements for Hong Kong after the change of sovereignty. He hopes to clear the air on issues such as the types of passports people from the territory will carry.

On the financial secretary-designate's visit to Beijing, Lu Ping said he only learned about the trip in the newspaper, and he does not plan to meet Donald Tsang. [end recording]

#### Further on Upcoming Visit

HK1003045395 Hong Kong SOUTH CHINA MORNING POST in English 10 Mar 95 p 1

[By Linda Choy in Beijing]

[FBIS Transcribed Text] Senior Chinese official Lu Ping yesterday ruled out a joint promotion with the Hong Kong Government on the future of the territory during his visit to the United States. Joining forces would only bring their disputes into the open, he said.

"Britain still adopts an uncooperative attitude. How can we explain this to others? Are we going to argue against each other in open forum? We will only publicise our differences and bring our disputes to the US," he said.

He said neither Governor Chris Patten nor Chief Secretary Anson Chan Fang On-sang could speak for the post-1997 government. "As to what will happen after 1997, they have no right to speak about it, it is not appropriate. Instead, we can give them [the Americans] some of our views," Mr Lu said. Both Mr Patten and Mrs Chan visited the US last year.

The Hong Kong and Macao Affairs Director is making the trip to promote the Basic Law and China's policies on Hong Kong in six major US cities later this month. He will be accompanied by the office's economic affairs department head Zhang Liangdong and coconvenors of the five subgroups of the Preliminary Working Committee.

Mr Lu rejected suggestions that China was internationalising problems with the handover. "We are against internationalising the political issues of Hong Kong. But, on the economic front, Hong Kong is in itself an international city," he said.

Mr Lu said the visit to the US would be conducive to maintaining the territory" status as an international

finance and trading centre. The delegation will attend seminars and forums in New York, Washington, Los Angeles, Chicago, Boston and Seattle,

Mr Lu said he would need "an appropriate time" to meet Mr Patten.

The basis of the Sino-British memorandum of understanding on the airport that required regular meetings between Mr Lu and the Governor had been destroyed, he argued.

#### XINHUA Examines Poverty in United States

OW1003085295 Beijing XINHUA in English 0826 GMT 10 Mar 95

[FBIS Transcribed Text] Washington, March 9 (XINHUA)—The United States, one of the world's richest nations, is facing a worsening social problem as more of its citizens keep falling below the official poverty line.

From 1989 to 1994, the annual gross domestic product (GDP) of the U.S. increased by 20 percent or nearly 1.2 trillion dollars, but the number of people living in poverty also rose by nearly 15 percent or 5.4 million, reaching an astonishing 36.9 million.

The United States is now in a social crisis of increasingly large number of people falling into poverty at a time when its national wealth keeps growing and per capita income rising. [sentence as received]

Poverty has brought hunger, homelessness and urban riots and is cultivating a culture of poverty that would lead the United States to a more divided society.

The Congressional Hunger Center estimated that in 1994, about 30 million Americans did not have enough food. Among them were 12 million children, for whom malnutrition often translates into lower learning ability and being more prone to illness.

According to various civil rights groups, there are more than 700,000 homeless people sleeping on sidewalks or door steps across the country at any given night. The National Alliance for Homelessness estimated that at least 2 million Americans are homeless at sometime in a year. The Clinton administration, calling homelessness "a national disgrace," said 7 million Americans are homeless.

In 1992, Los Angeles, the second largest U.S. City, was hit by the worst urban riot in modern U.S. history. During the three-day turmoil, 53 people were killed, 2,300 others injured and thousands of businesses looted. The riot was directly touched off by a racial dispute, but the root cause was spreading urban poverty.

In deteriorating inner cities of large metropolitan areas where poor population is concentrated, poverty is becoming a culture and way of life, passing from generation to generation. Raised in the culture of poverty,

people are hostile and suspicious to the so-called mainstream society. They feel poor, desperate and inferior.

Some researchers believe that this culture of poverty is creating a family structure, a language, a psychology and an outlook that are vastly different from those of the mainstream society. This culture will ultimately lead to more serious urban riots.

Many American sociologists believe that unemployment, racial discrimination, single parent family, school dropout and lack of family planning are among the major causes of poverty in the United States.

—Unemployment. In 1992, of the 7.96 million families living in poverty, 3.26 million had jobless heads and of the unemployed families, 31.6 percent ended up in poverty.

—Racial discrimination. Since the United States had not abolished school segregation until the 1950s, today's middle-aged or older black people did not receive as adequate education or training as white people. With less education and training, they suffer from a higher unemployment rate.

—Single parent families. Because of a high divorce rate and teenage pregnancy, the number of single parent families headed by a teenage female is growing fast. In 1993, single parent families accounted for 30 percent of American families. In single parent families, the mother is often too young to work or too illiterate to become competitive on the labor market. The majority of them as a result have to rely on welfare.

—School dropout. Some 350,000 students drop out of school in the United States every year. Because of low education level, they have difficulty in finding a high-income job. In 1992, the annual income for those without a high school diploma was 12,800 dollars, while for those with a bachelor's degree, it was 32,600 dollars. Of those without a high school diploma, 25 percent lived in poverty while of those with a bachelor's degree, only 3 percent were poor.

—Lack of family planning. The nation's poor tend to live in large families. Studies show that over half of the American poor live in a family of five or larger. It is common for a poor family to have five, eight or even 10 children. The population explosion in poor families is one of the major sources of people living in poverty.

The U.S. Government declared a national war on poverty in the early 1960s when President Lyndon Johnson, vowing to wipe out poverty, asked the nation to make the same total commitment to end poverty in America as it would to defeat foreign armies in a time of war. But most governmental anti-poverty measures have been all along focused on increasing aid to the poor.

Addressing the consequences instead of the causes, the government has ended up in a dilemma: While it is

overburdened by welfare payments, the number of poor people is increasing at a faster pace.

In the 30 years of national war against poverty, the country's GDP increased by more than 10 times, but the number of people in poverty remained high. Only in the early years of the war, the number of people in poverty dropped briefly, but it rebounded during the 1980s and early 1990s.

The number of poor Americans now has returned to the level at the beginning of the war and is still rising. If the current trend continues, the number of people in poverty would hit an all-time high despite the increase of the nation's wealth.

#### Article Views Success of 'Clintonomics'

*HK1003150495 Beijing SHIJIE ZHISHI in Chinese No 3, 1 Feb 95 pp 2-3*

[Article by Ke Juhan (2688 1446 7281): "Clintonomics' in Operation"]

[FBIS Translated Text] It has been two years since Clinton ascended the U.S. presidential throne. During this time the U.S. economy has undergone major changes. On the whole, it has reached a new turning point.

#### "Clintonomics" Replaces "Reaganomics"

Clinton maintained that when the Bush administration (Republican) was in power, U.S. economic growth was extremely slow and offered very little employment, leaving the entire economy bogged down in all kinds of structural crises. For this reason, Clinton vowed to change the situation. In his first two years he has promoted a series of economic "rehabilitation" plans that are poles apart from "Reaganomics." The new approach, new principles, and new policies that Clinton has adopted to "revitalize" the U.S. economy are known as "Clintonomics." The practice over the past two years has proved that Clinton's economic policy propositions have gradually been put into practice. Though some have been vetoed and some have yet to be implemented on a full scale, the basic policy framework has taken shape and its impact on the U.S. economy and the world economy has shown some initial signs.

Clinton has taken a number of important new steps in economic policymaking and has made varying degrees of progress so far. These steps taken together make up the skeleton of "Clintonomics."

#### "Activism" To Replace "Laissez-Faire"

To replace "laissez-faire" with "activism" [xing dong zhu yi 5887 0520 0031 5030] and strengthen government intervention in economic life. In his presidential report on the economy, Clinton said: "The United States thrives on change....But this country of ours has been using too many laissez-faire methods for too long." It was for this

reason that Clinton made up his mind to adopt "activism" and bring the government sector into economic life. For instance, for the first time in history, he established the National Economic Council in the White House, parallel with the National Security Council, responsible for organizing and coordinating the formulation and execution of national economic policy. The idea of strengthening government intervention runs through all the short-term, medium-term, and long-term domestic economic plans that Clinton has formulated. However, Clinton's proposal for strengthening government intervention in the economy is not a return to Keynesianism. It opposes, for example, the "big government" and unbalanced fiscal policies advocated by Keynesianism and believes that "an inflated government cannot bring opportunity, neither can a high deficit generate economic growth." This is how Clinton himself described his economic policy proposition: "It is neither liberalism nor conservatism; it consists of both yet is different from both." In fact, it is a new "hybrid" economic theory under the circumstances of the 1990's.

#### **Being Brave Enough To Tackle the "Hydra"**

Resolving to crack the hard nut and take the biggest action since World War II to tackle the deficit is another new measure that Clinton has adopted in his domestic economic policy. The deficit is a problem that has been plagued the U.S. Government for a long time. "Reaganomics" in the 1980's made the problem even more grim and acute. The deficit, like the "Hydra," caused investors to lose confidence, exhausted reserves, weakened the dollar, and put the country heavily in debt. This was the main reason the Bush administration failed to stimulate the economy and the post-recession recovery was slow and feeble in the early 1990's. It was indeed a serious failure of the Bush administration. If Clinton had continued to do nothing about the deficit, he would certainly have met with the same, if not worse, setbacks in his political destiny as his predecessor. If, however, he could achieve something regarding this "long-standing, big, and difficult" issue, it would greatly benefit his effort to open up new prospects after he stepped into power. Thus, the young President took risks and adopted the proposal for significant tax increases on the wealthy and the middle class that U.S. Government leaders normally would not dare to adopt. He planned to increase tax revenues by \$246 billion within four years and in the meantime cut government expenditures by \$247 billion, with the overall aim of reducing the deficit by \$493 billion in four years' time. The scale of this bout of tax increases and retrenchment was the biggest since World War II, and the plan was adopted by the Congress after some modifications. "Heaven follows the wishes of man." After Clinton came to power, the signs of economic recovery in the United States became more and more pronounced and even showed a "strong pickup." Here, let us set aside for the time being the question of where the motive force for this change originated. The forceful recovery of the U.S. economy has increased the government's tax revenues. As a result, the U.S. federal

deficit has declined for two consecutive years. In 1993, it dropped by 12 percent compared to the previous year, and in 1994, the rate of decrease was over 20 percent. The fact that the U.S. federal deficit has dropped faster than expected indicates that the deficit reduction plan that Clinton has worked so hard on is beginning to show results and that the biggest structural difficulty in the U.S. economic sector has been somewhat alleviated.

#### **Emphasizing Future-Oriented Investment**

Increasing long-term investment, accelerating industrial structural adjustments, and more conscientiously preparing for the future global economic competition. Another important distinction between the Clinton administration and the Reagan/Bush administration in economic policies lies in their policies on future-oriented investment. The Clinton administration declared: "Shifting the focus of federal expenditures from consumption to investment is the hallmark of this administration. We are committed not only to controlling government expenditure but also to guiding it toward more productive purposes." Clinton emphasizes investment first in human resources, second in infrastructure, and third in science and technology. According to his plans, a total investment of \$220 billion will be made within four years, mainly in infrastructural improvements, environmental purification projects, improvements in education, research and development, and so on. But being restricted by deficit reductions, this long-term investment plan was cut on two occasions, at Congressional discussions in April and August 1993, and its value was slashed almost by half. Clinton is also the first U.S. President to announce in no uncertain terms the execution of a "policy for technological industries." He emphasizes the need to accelerate the development of technologies that have "decisive implications" for enterprise and economic growth, such as new-generation aircraft, electric cars, biotechnology, energy conservation, and "information superhighways," with a view to supporting the growth and structural upgrade of U.S. industries. This indicates that Clinton has made more conscientious preparations than his predecessor for the prospectively more intense global economic competition. Because these measures require long-term cooperation and support from U.S. entrepreneurial circles, no instant results have been observed so far.

#### **Paying Close Attention to the Country's "Economic Security"**

As to foreign economic policy, Clinton has also made major adjustments over the past two years and has made some breakthroughs. The most important feature of those adjustments is close attention to the national "economic security" and foreign trade. Clinton rates "economic security" as the first and foremost among the three pillars of his foreign policy and regards foreign trade as "the number one factor of U.S. security." For this reason, he has pursued a tougher foreign trade policy and emphasized the importance of "adhering to the rule

of fair trade," seeing it "as part of the national economic strategy for expanding foreign trade." Though Clinton claims to personally stand for "fairness and rationality" and "reciprocity" [gong ping he li huo dui deng yuan ze 0361 1627 0678 3810 2057 1417 4583 0626 0463], in reality his foreign trade principles follow a "dual track system" [shuang gui zhi 7175 6510 0455], that is, practicing free trade where the United States thinks free trade will benefit itself, and, where there is no self-interest involved, accusing the other side of being "unfair" [bu gong zheng 0008 0361 2973], carrying out reprisals [jin xing bao fu 6651 5887 1032 1788], and going all out with protectionism. In the first month of his presidency, Clinton undertook a series of "sanctions." For example, on 27 January 1993, a 27-percent punitive tariff was imposed on imported rolled steel from 19 countries, including seven EC countries. In talks on the U.S.-Japanese "framework agreement," the United States kept pressuring Japan to open up more domestic markets. All this indicates that Clinton has been pursuing a new policy of power foreign trade [yi zhong xin di wai mao qiang quan zheng ce 0001 4429 2450 4104 1120 6319 1730 2938 2398 4595] in the first half of his term.

During the two years of Clinton's tenure in office, the United States has also made important progress in a number of areas of foreign economic relations. For example, on 15 December 1993, the final Uruguay Round talks of the General Agreement on Tariffs and Trade were completed, concluding a round of talks that had lasted seven years. The United States, Canada, and Mexico had reached an agreement on the "Supplementary Treaty" putting into effect the "North American Free Trade Treaty" on 1 January 1994. In mid-November, the second informal summit of the Asia-Pacific Economic Cooperation carefully deliberated the issue of economic cooperation in the Asia-Pacific region and published the "Bogor Declaration," setting the goal of realizing free investment and trade. This revived the idea of a "New Asia-Pacific Community" that Clinton had originally put forward at the Seattle Conference after it had been cold-shouldered for some time. The Clinton administration also reaped considerable achievements at the recent economic summit of the Americas.

#### From Slow Recovery to Accelerated Growth

After the U.S. economy rose from the state of "recession" to recovery in a new cycle at the end of March 1991, it stayed weak and unstable for a long period of time. The past two years have witnessed significant changes. In 1993, the U.S. economy grew by 3.1 percent; growth rates in the first three quarters of 1994 were, respectively, 3.3 percent, 4.1 percent, and 3.4 percent, with an estimated annual rate of 3.7 percent. Obviously, this represents a significant improvement on the average annual growth rate of less than 1 percent in the first three years of the 1990's. At present, the factory utilization rate of the U.S. manufacturing industry is over 84 percent, the highest in 10 years. At the same time, employment has improved. Over the past two years,

some 4.5 million jobs have been created, and unemployment has dropped from 7 percent when Clinton took office to 5.8 percent last October, the lowest in six years. Moreover, the persistently sluggish commodity market has become more active. All these signs indicate that the U.S. economy is experiencing a rather strong recovery.

#### Strengthened International Competitiveness

First of all, the competitiveness of U.S. industry has significantly improved. For example, in 1994, U.S. auto production overtook that of Japan, regaining the title of number one car producer, while the average production costs of each new car were \$2,000 to \$3,000 lower than in Japan. Its position in the high-technology industrial market has also been strengthened, one example being its success in regaining dominance in the semiconductor industry (with 41.9 percent of the world market share in 1993). According to the latest estimate by McKenzie Consultants of the United States, U.S. labor productivity in the manufacturing industry is now 17 percent higher than Japan and 21 percent higher than Germany, while its labor costs are about 30 percent lower than the weighted mean in other Western nations. Second, the United States' international economic status has shown a rising trend. Its economic growth rate has been the highest among all Western countries for three consecutive years, and its share of all manufactured exports produced by Western countries rose from 14 percent in 1986 to the current 18 percent. While Japan has experienced a decline in direct investment abroad for several years running, the United States has enjoyed an increase for two years in a row. Though it will still require further study to determine whether the rise of the United States' international economic status is a temporary or a long-lasting trend, there is no denying that Clinton's economic adjustments have played a positive role.

#### Correction to Tibet Deputies on U.S. Human Rights

OW0703012195

The following correction pertains to an item headlined "Tibet Officials Denounce U.S. Human Rights Report" published in the 6 March China DAILY REPORT on pages 3-4:

Page three, column one, paragraph five, make subslug read: ...Report by XINHUA reporter Zheng Qingdong (6774 1987 2639); "Deputies From Tibet Comment on Human Rights"—XINHUA headline]... (adding XINHUA headline notation).

Page three, column one, paragraph six, sentence one make read: ...[NPC] sternly refuted [yan li pi bo 0917 0632 2106 7463] the U.S. State... (changing quotation marks to parentheses, correcting computer error).

Same page, column, and paragraph, last sentence make read: ...Department report had (distorted facts and confounded truth and falsehood) [wai qu shi dian dao shi

fei 2977 2575 0057 1395 7351 0227 2508 7236] and it constituted... (changing quotation marks to parentheses).

### Northeast Asia

#### Daily Views DPRK's Refusal To Accept ROK Reactors

*OW090311195 Shanghai JIEFANG RIBAO in Chinese 2 Mar 95 p 4*

[From the "Expert Forum" column; article by Shen Dingli (3088 0002 4539), associate professor at Fudan University's Center for U.S. Studies: "There Still Exist Various Plans for Breaking Out of the Korean Nuclear Stalemate"]

[FBIS Translated Text] During the four months since the United States and the DPRK signed the framework agreement on the Korean nuclear issue, both sides have made smooth progress in implementing the agreement according to the original timetable. Nevertheless, a dispute has recently arisen anew between the relevant parties over the import of light-water reactors [LWR] and the use of heavy oil.

The two LWR's needed to provide the DPRK with a total power- generating capacity of 2,000 megawatts will cost more than \$4 billion. The DPRK Energy Development Agency, under the United States' supervision, is now arranging for the ROK to pay approximately three-fourths of the cost. On account of this arrangement, the ROK has asserted that its reactors be adopted, in emphasizing that it will not finance other countries' providing the DPRK with nuclear reactors. The United States maintains that the reactor model must be selected by the consortium that provides financial aid, and that the views of the ROK, which is providing the most money, should naturally be respected.

The DPRK has taken exception to this arrangement, in maintaining that the U.S.-DPRK agreement does not specify which country will provide the reactors, and that ROK-made reactors have not been internationally approved as being safe.

All these views are perhaps cited as ostensible reasons. Because the ROK's nuclear power development program has a substantial basis, reactors researched and developed by the ROK cannot possibly be characterized as being unsafe. The underlying cause of the difference of opinion between the United States and the DPRK is that the United States and the ROK hope to promote contacts between the two Koreas through the ROK's provision of reactors, to increase the possibility of the ROK influencing the North. Moreover, the DPRK's future nuclear power development program may possibly come under the ROK's control if Seoul gains the initiative in the LWR project. Also, if ROK-made reactors are chosen, this may provide, prior to the Korean peninsula's unification, some indication as to what type of

model for the peninsula's future nuclear power development program to expect. How can the DPRK not understand these calculations? For this reason, the DPRK has flatly rejected the U.S.-ROK proposal.

Although both the United States and the DPRK have threatened to withdraw from the framework agreement if the issue of selecting the reactors cannot be resolved properly, history and reality indicate that this is only an interim measure adopted by both sides. According to this author's observation, there still exist various plans for breaking out of the current stalemate.

First, the United States must adopt measures to further improve its relations with the DPRK if the ROK is to have any chance of providing the reactors. The United States' acceptance of the DPRK proposal on investing an additional \$500 million to \$1 billion to retool the DPRK's nuclear power grid is unquestionably a positive attitude. U.S.-DPRK economic contacts and trade in a wide range of areas will be even more welcome.

Second, the possibility of the DPRK rejecting ROK-made reactors cannot be excluded even if the United States adopts forceful measures to further improve its relations with the DPRK. Under such circumstances, Germany, Russia, and other countries can be regarded as alternative choices for supplying LWR's. If the ROK is unwilling to provide financial aid under this arrangement, the United States, as the organizer of the financial aid, must open up other fund- raising channels. If the DPRK can get the United States to provide direct financial aid as well as the reactors, this will constitute an even bigger gain by the DPRK's nuclear diplomacy. Although the U.S. media and Congress have long denounced the framework agreement, it is essential to preserve the U.S.-DPRK agreement given the upcoming review of the "nuclear Nonproliferation Treaty." It is still possible that the United States will take the long-term view and adjust its stand.

Third, Pyongyang maintains that the framework agreement does not designate the ROK as the reactor supplier. While it is the responsibility of the United States to raise funds, the DPRK's consent is essential when it comes to the type of reactor to be purchased. Therefore, the United States is subject to restrictions that the DPRK imposes on this issue. The United States still has to step up its efforts to improve its relations with the DPRK if it wants the latter to soften its policy in the near future. Even if this is done, considerable criticism will inevitably arise in the United States.

All things considered, this author believes that the international community can find a way to solve at an early date the current problem of providing LWR's, under the premise that the basic interests of the United States and DPRK are accommodated.

**Memorandum Signed With Mongolia on Joint  
Trade Center**

*OW0903051295 Beijing XINHUA in English 0353  
GMT 9 Mar 95*

[FBIS Transcribed Text] Ulaanbaatar, March 9 (XINHUA)—Mongolian and Chinese officials signed here Wednesday a memorandum on co-running the Ulaanbaatar World Trade Center.

The China Inner Mongolia Economic and Technological Cooperation Company and the Mongolia Supply Ensuring Group will jointly manage the center to be set up in accordance with a decision made by the Mongolian and Chinese Governments last year.

The multi-functional business center will try to find international markets for Chinese and Mongolian commodities and help develop trade and economic cooperation between the two countries.

## NPC

**Qian Qichen News Conference on Foreign Ties**

*OW1003045095 Beijing Central Television Program  
One Network in Mandarin 0200 GMT 10 Mar 95*

[News conference by Qian Qichen, vice premier and foreign minister, with foreign and domestic reporters at the Great Hall of the People in Beijing—live]

[FBIS Translated Text] [Unidentified announcer] This is China Central Television [CCTV]. This is CCTV. Dear viewers, how are you! At 1000 [0200 GMT] this morning, Zhou Jue, press spokesman for the Third Session of the Eighth National People's Congress [NPC], is holding a news conference for domestic and foreign reporters, during which Vice Premier and Foreign Minister Qian Qichen has been invited to answer reporters' questions on China's foreign policy and the international situation.

[Zhou Jue] Ladies and gentlemen, today we are very pleased to have invited Vice Premier and Foreign Minister Qian Qichen to meet you and answer your questions on the current international situation and China's foreign policy. Now, the floor is open.

[RENMIN RIBAO reporter] I am a RENMIN RIBAO reporter. This year is the 50th anniversary of the founding of the United Nations [UN]. What role will China play in the UN and in international affairs as a permanent member of the UN Security Council?

[Qian] The 50th anniversary of the founding of the UN is a good opportunity to review the past and look toward the future. Regarding UN affairs, China has the following propositions and stance: First, we favor reform of the UN. Over the past 50 years, membership of the UN has increased from 51 to over 180. The overwhelming majority of the roughly 130 new members are developing countries. Therefore, we believe that the functions of the UN General Assembly should be expanded and strengthened to reflect the common aspirations and will of the vast number of its members. Second, we favor the reform and expansion of the Security Council. However, any expansion of the number of UN Security Council members—either the number of permanent members or nonpermanent members—should take account of equitable geographical distribution, so that the council will have a broad representation. Third, we believe that the experience of UN peacekeeping operations should be summarized and lessons should be drawn. The UN peacekeeping operations should put emphasis on finding a political settlement to regional disputes rather than instituting direct military intervention. That is the main lesson we have drawn from the success and failure of UN peacekeeping operations. Fourth, the UN should attach great importance to social and economic development issues. If these issues are not resolved, peace and security might be threatened.

[LIEN HO PAO reporter] Vice Premier Qian, how are you? I am a reporter with Taiwan's LIEN HO PAO. We understand that you were an important figure in the drafting of Jiang Zemin's eight-point proposal on Taiwan. Therefore, you are the authority on these proposals. We noticed that both the first point of President Jiang Zemin's eight-point proposal and Premier Li Peng's report on the work of government, state that upholding the principle of one China is the basis and precondition of the reunification of China. We do not understand—by the so-called one China, do you mean that Taiwan should unconditionally accept the PRC, or is Taiwan allowed to form a Republic of Taiwan and then hold discussions with the mainland to achieve the ideal of peaceful reunification in the form of a confederation [bang lian] or a federation [guo xie]? Jiang Zemin's eight-point proposal also mentioned the desire that the two sides sign an agreement on ending the state of hostility between them. Will this agreement be one of mutual nonaggression, or an agreement of peace, or treaty of armistice? Can you tell us what is the most appropriate occasion for the signing of such an agreement? Will it be a meeting between Jiang and Li, between the leaders of the two sides? Please explain. Thank you.

[Qian] It has been very clearly explained in General Secretary Jiang Zemin's speech that under the principle of one China, talks can be held on any questions, except the issue of Taiwan independence. Then, all the questions you have just raised are questions that can be discussed. However, without any basis, your newspaper wrote that while meeting with Taiwan delegates to the NPC, I said: Taiwan may join the UN under the principle of one China. I wish to declare that I did not make that statement. Moreover, the statement itself is contradictory. As long as there is only one China, Taiwan's return to the UN or Taiwan UN representation are out of the question. Regarding cross-strait political talks, what we have proposed is to first hold talks and reach agreement on ending the state of hostility between the two sides of the Taiwan Strait. Only after that, is it possible to hold talks on more extensive issues. I think all your questions are not questions for me to explain, but should be discussed between the two sides.

[NIKKEI Reporter, in English with follow-up translation into Mandarin] I am from NIKKEI [NIHON KEIZAI SHIMBUN], Japan Economic News. China has been criticizing the United States in relation to the human rights resolution voted on in Geneva. Does this mean that China will stop its human rights dialogue with the United States, or will China still continue dialogue?

[Qian] On the contrary, we stand for bilateral or multilateral exchange of views and discussions on the human rights issue between countries. However, this should be carried out on the basis of mutual respect. At the human rights meeting in Geneva, we opposed the use of the occasion of a multilateral meeting to pass a resolution to oppose China or any other country. We are opposed to

this practice. Therefore, we have explained our stand to all countries. We have also explained it to some Western countries that tabled the motion, and told them the action does not conform to the principle of mutual respect and the principle of holding dialogue on the basis of equality. Further, we warned them that they would fail in their action because they have failed four times since 1990. We urged them to change this attitude. It is regrettable that they insisted because they felt they would triumph. However, it has been proven again this year that even though a substantive vote was carried out, they did not succeed.

[ABC Reporter, in English with follow-up translation into Mandarin] I am from ABC News. Just a follow-up to that question. Are there going to be any concrete effects on U.S.-China dialogue on human rights or on anything else, or will China retaliate in any way against the United States? And the second question is, why is China so opposed to Li Denghui [Li Teng-hui] going to the United States? I wonder if you could explain. Thank you.

[Qian] With regard to your first question, I think that this action on the part of the United States will not be conducive to dialogue between the two sides. Nevertheless, we do not plan to stop [wo men bing bu zun bei zhong zhij] this kind of dialogue. With regard to Mr. Li Denghui's visit to the United States, I believe this is a major question of principle. It involves the question of whether or not one upholds the policy of one China or one wants to create one China, one Taiwan, or two Chinas. At the heart of the three Sino-U.S. Joint Communiques is the Taiwan question. That is to say, the United States has chosen [yun nuo] not to develop any form of official relations with Taiwan. Recently, a senior U.S. official indicated that the United States would not allow Mr. Li Denghui to visit the United States because the U.S. policy does not allow that. We hope that the United States will firmly honor its commitment.

[Hong Kong TVB reporter] I am from Hong Kong TVB. Vice Premier Qian, you indicated to a visiting delegation from the Hong Kong Federation for Democracy [min jinlian] that you have already accepted an invitation to visit Britain. Under what conditions or circumstances will you consider the time is ripe for you to visit Britain. Also, how do you evaluate the current state of Sino-British relations?

[Qian] In October last year I accepted British Foreign Secretary Douglas Hurd's invitation to visit Britain this year, but we did not decide upon the exact timing. The British side has indicated its readiness to improve relations with China, naturally we welcome that. However, we attach even greater importance to concrete deeds on many issues. In May this year, British Secretary of State for Trade and Industry Michael Heseltine will visit China. We welcome that visit. I think I will find an appropriate time to make my visit to Britain, but I do not think it will take place before Secretary Heseltine's visit. It will take place after that.

[CCTV reporter] I am from CCTV. This morning, Premier Li Peng left for Denmark to attend the UN Conference on Social Development. Foreign Minister Qian, can you tell us what specific goals China expects to achieve at the Copenhagen Summit, during the period of time when the NPC and CPPCC [Chinese People's Political Consultative Conference] National Committees are in session in Beijing?

[Qian] The fact that Premier Li Peng has gone to Copenhagen to attend the UN Conference on Social Development even though the NPC and CPPCC National Committees are in session, shows the importance China attaches to social and economic development. As I indicated a moment ago, the United Nations should not only play its role in safeguarding peace and security, but should also play its role in solving problems relevant to social and economic development. The meeting's main theme will be the eradication of poverty, and it will also discuss many other social and economic development issues. We believe it is very important to bring these issues to world attention. During his visit to Copenhagen, Premier Li Peng will make an important statement at the summit, and will take advantage of the opportunity to meet with the leaders of at least 10 important countries. So I think that, although Premier Li Peng's stay in Copenhagen will be very short, his visit is very significant.

[DPA reporter, in English with follow-up translation into Mandarin] I am from DPA. China urged the European countries and the United States not to table the human rights resolution in Geneva. In his letter to Chancellor Kohl, Mr. Li Peng also emphasized good economic relations. The German Government could not help but get the impression that economic relations might be endangered if they supported the resolution. Germany did support the resolution; will that do any harm to economic relations or to political relations with Germany?

[Qian] On economic relations, we have never taken matters unrelated to economic questions as preconditions. Nevertheless, our indication of our wishes and also our explanations are intended to persuade a number of countries that, since the attempt [to table the human rights resolution] has failed so many times, they should not repeat that foolish thing again. I believe the governments of the countries concerned should think about this. One does not make an attempt more than three times. The attempt on this issue has been made five times now.

[ITAR-TASS reporter] I am an ITAR-TASS reporter. Vice Premier and Foreign Minister Qian, how do you evaluate the current state of Sino-Russian relations?

[Qian] I believe currently, the development of Sino-Russian relations is quite good. In addition to high-level contacts, there is cooperation in various fields. Not long ago, the Russian Foreign Minister Mr. Kozyrev visited China. We had an extensive exchange of views. On

border issues, although some officials in some Russian localities have said certain things incongruous with the accords signed by the two countries, and some newspapers have published some irresponsible statements, the Russian Government still has indicated that it will abide by the accords signed by the two countries and ratified by the two sides' legislatures. We are satisfied with this. I want to explain something that occurred at the UN Human Rights Commission meeting in Geneva. At the beginning, Russia voted against the motion on not to take actions on the anti-China resolution. Russia also voted against the substantive resolution proposed by Western countries. Some felt that Russia's position on this issue is a bit strange, whereas I believe it is quite straightforward. To our understanding, Russia believes that the question of human rights can be discussed. On this point, Russia and China differ. However, Russia has always taken the position that one should not condemn China on account of its human rights. Therefore, I do not believe Russia has changed its position on this issue; rather, it has adhered to its position.

[Hong Kong EASTERN EXPRESS reporter] I am from Hong Kong EASTERN EXPRESS newspaper. Vice Premier Qian, it is believed that the transition of senior civil servants in Hong Kong is a major factor for maintaining stability in Hong Kong. Recently, China and Britain have been in dispute over the transfer of data on civil servants, especially senior civil servants. My question is: In line with the policy of letting Hong Kong people run Hong Kong affairs, why can the data on civil servants and properties owned by the Hong Kong Government not be transferred directly to the Government of the Hong Kong Special Administrative Region [HKSAR], or to the succeeding chief executive. Recently, a Chinese official repeatedly stressed that the appointments by the Chinese central government of senior civil servants in Hong Kong will be substantive appointments. Can you explain to us what substantive appointments are?

[Qian] I think there is some confusion on this question. First and foremost, one should be clear that on the question of Hong Kong, the British and Chinese Governments reached agreement through negotiations. On 1 July 1997, the British side is to return Hong Kong to China and China is to resume the exercise of sovereignty over Hong Kong. So, whether it is property or documents or archives, the British Government should transfer them to the Chinese Government. As for the establishment of the HKSAR and the exercise of a high degree of autonomy, they will be instituted under the Basic Law, which has been formulated in accordance with China's Constitution. So, the two are two different things. As for the appointment of the chief executive and other principal officials of the HKSAR, the chief executive will be appointed by the central government, and the senior officials will be nominated by the chief executive and approved by the central government of China, in accordance with the Basic Law.

[CHINA DAILY reporter] I am a CHINA DAILY reporter. Vice Premier Qian, I would like to ask a

question about Sino-U.S. relations. Tomorrow, U.S. Trade Representative Mickey Kantor will arrive in Beijing to officially sign the agreement between China and the United States on the protection of intellectual property rights. Can you tell us about the prospects for Sino-U.S. relations?

[Qian] After Mr. Kantor arrives in Beijing, China and the United States will formally sign the agreement reached between the two sides on the protection of intellectual property rights. Mr. Kantor will also discuss trade issues with the Chinese side, such as the reinstatement of China's contracting party status in GATT and becoming a founding member of the World Trade Organization. The two sides will discuss a broad range of trade issues, including trade deficits, proposed by the United States, and also the implementation of the agreement between the two sides on market access. As long as the two sides try to search for mutually acceptable solutions [gong tong neng gou jie shou] to problems between themselves on the basis of seeking truth from facts and on the basis of mutual respect, I believe new progress will be made in Sino-U.S. economic and trade relations.

[Tyler] I am Patrick Tyler of THE NEW YORK TIMES. Mr. Vice Premier, this is the time of year in China when the NPC is meeting. Many of China's prodemocracy forces have come out to try to petition the government for the resumption of an internal dialogue in China about democracy. The NPC spokesman told us last week that the petitions, which were rejected by the NPC, sought a variety of investigations and the establishment of a constitutional process to improve democracy. They were rejected because these people did not follow procedures or did not have political rights, although it is our understanding that most of these people do have political rights and fell under the legal category that he described of being able to petition the NPC on these questions. Could you clarify this matter and then perhaps elaborate on the additional question that your spokesman raised yesterday, which was the long-term goal of China on the human rights question? After the vote in Geneva, it seems particularly important as to whether China is actively pursuing the goal of widening the range of human rights available to the Chinese people. [PRC Foreign Ministry spokesman] Mr. Shen Guofang said yesterday he believed that with the development of the economy and education, the Chinese people will enjoy wider and greater human rights in the future. Is that the official policy of the government? Could you address this question, too? Thank you.

[Qian] On the question you put forward just now, it seems to me you know more about the specifics of the petition than I do. I do not know the specifics of the petitions. I believe their practice of presenting the petitions is suitably described by a Chinese saying: "The drinker's heart is not in the cup." In other words, the people presenting these petitions have other motives, ulterior motives. You said that these people have petitioned to hold an internal dialogue, but their story has

been carried extensively by THE NEW YORK TIMES and some other newspapers. It thus cannot be termed an internal dialogue any more. Concerning the process of developing socialist democracy in China, our objective is still to build a high degree of socialist democracy. As China's economy develops and as China's reform and opening up deepen, the high degree of socialist democracy provided for in the Chinese Constitution will be fully instituted. There is no doubt about that. However, it will be with Chinese characteristics, because China has its own cultural traditions. So what we will practice will not be completely identical to the democracy practiced in Western countries.

[BBC correspondent] I am a BBC correspondent. Could you tell us what China's territorial rights are in the South China Sea and what are the long-term military development objectives adopted by China to reflect these rights? There has been much discussion of this topic in the past couple of months, so what is your message to those regional governments who are concerned that China could be a threat to the region?

[Qian] I think that what you are referring to is the question of the Nansha [Spratly] Islands. China holds sovereignty over the Nansha Islands. For a very long time there was no dispute over this issue. Only toward the end of the 1970's did disputes arise from some countries located around the islands. China, nevertheless, has exercised a high degree of restraint [fei chang ke zhi de tai du] and proposed that the dispute be shelved for common development. Thus, I do not think there is any tension or crisis in the South China Sea. Recently, on the Meiji Reef of the Nansha Islands, the local Chinese fishing authorities established some shelters because traditionally, Chinese fishermen have fished in that area. Of course, in order to protect their production and lives, it is necessary to establish these shelters. These are not military actions, and they do not pose any threat to any country. Perhaps for some time there might be some doubts, but I believe that the problem can be solved easily. The Philippine vice foreign minister will come to Beijing soon. There are normal, consultative relations between the senior officers of the Chinese and Philippine Foreign Ministries, and the coming consultations have been moved up. I hope that through consultation, the two sides will achieve a good understanding.

[Zhou] Because of time constraints, we have time for only two more questions from reporters.

[China Radio International correspondent] I am a correspondent for China Radio International. Foreign Minister Qian, in Finance Minister Liu Zhongli's report on the 1995 state budget, he indicated that this year China's defense budget will be 63 billion yuan, and this has caused some concern and comment from some overseas media. Can you comment on this?

[Qian] This year's budget appropriated 63 billion yuan for national defense spending. The 63 billion yuan defense budget is 14 percent higher than the 1994

defense budget of 55 billion yuan. However, considering China's inflation, which will be kept at a 15-percent level, there is little increase in the actual defense expenditure. In terms of the percentage of the defense expenditure in China's GNP [guo min sheng chan zong zhi; government-provided interpreter is heard in English translating this term as GDP], it was 1.3 percent last year, and it is 1.2 percent this year. The percentage has decreased somewhat. A U.S. Defense Department official once made a comment which I consider quite fair; that is, China's defense expenditure is much smaller than that of the United States, while the number of China's troops is much larger than that of the United States. He believed that China's military spending is rather low. I think that that comment corresponds with the facts.

[Unidentified reporter] Thank you, Mr. Vice Premier. Permit me to ask you a question concerning the resolution by the UN Commission on Human Rights. The resolution concerning China's human rights conditions proposed at the human rights conference in Geneva to a great extent actually praised China's economic reform, and China's efforts to perfect and establish a legal system through legal reforms. That is the view held by anyone who looks at China objectively. The United States has on numerous occasions said openly that the legal system established by China has a lot of loopholes and imperfections. When expounding its argument, it often raises the case of Wei Jingsheng, who last year after meeting with a senior U.S. human rights official, seemed to have disappeared from the Chinese legal system. Some officers have hinted that he is in some form of custody now. To our acknowledge, almost a year later, Wei Jingsheng now has not been publicly tried or charged. In terms of using China's legal system to protect the people's human rights and legal rights, could not the loopholes referred to by the United States actually exist? Would you please elaborate on this issue?

[Qian] There are loopholes in the laws of all countries, including the laws of the United States. Some U.S. states have the death penalty, while others do not. Their laws differ. I believe there are no absolutely loophole-free laws. The United States is quite eager [fei chang re xin] to find other countries' loopholes while paying very little attention to its own problems. I hope the United States will mind its own business more [duo guan xin zi ji de shi]. That is all. Thank you.

[Zhou] With that, we conclude this news conference. Thank you.

#### Reportage on Leaders Activities at NPC

##### Qiao Shi Cites Deng on Reform

OW903141595 Beijing XINHUA Domestic Service in Chinese 1534 GMT 6 Mar 95

[By Central People's Radio reporter Central People's Broadcasting Station reporter Liu Zhenying (0491 2182

5391) and XINHUA reporters Zhao Wei (6392 5898) and Sun Benyao (1327 2609 1031)]

[FBIS Translated Text] Beijing, 6 Mar (XINHUA)—At a group discussion with the Zhejiang delegation today, Qiao Shi, Standing Committee member of the CPC Central Committee Political Bureau and chairman of the National People's Congress [NPC] Standing Committee, said: Our cause will advance continuously so long as leaders and the masses alike work in a down-to-earth way to solve problems one by one throughout the socialist modernization drive.

As an NPC deputy elected from Zhejiang Province, Qiao Shi visited the Olympic Hotel this afternoon to attend the Zhejiang delegation's deliberation of Premier Li Peng's government work report and to listen to the views of fellow deputies.

Deputies Wang Youming, Wan Xueyuan, Shen Zulun, Chen Wenxian, Lei Wenxian, Liu Minchun, Xiang Bingyan, Peng Guozhen, and Zhang Fengxian successively took the floor. They held that the government work report had given a fairly comprehensive and realistic summation of the work of last year and arrangements for the work of this year. Meanwhile, they put forward suggestions for solving practical problems, including the reinforcement of agriculture, further invigorating state-owned enterprises, and curbing inflation.

After listening to speeches, Qiao Shi said: During the heated, vivid discussion today, you have offered many precious suggestions on the government work report and for the Chinese economy, which will greatly benefit future work.

Discussing the reinforcement of agriculture, Qiao Shi said: The party has adopted a series of explicit principles and policies for rural work. As the rural work conference has just been concluded, the most important task now is to take concrete action. We have emphasized the need to oppose formalism and empty talk. Needless to say, such emphasis is correct; but what is more urgent is to identify the existing practical problems and to solve them in a down-to-earth way. For example, we have called for the development of large-scale agriculture for a decade and have made some progress. Nevertheless, much remains to be done in order to tap the potential. We should adopt effective and feasible measures and work hard to translate the party's policies into action, doing everything within our ability to solve problems related to agriculture. Meanwhile, the party's policies can be supplemented and perfected along with the progress of implementation.

On ways and means to invigorate large and medium state-owned enterprises, Qiao Shi said: Reform is the only way out for large and medium state-owned enterprises. Measures which have proved effective in pilot enterprises should be spread and implemented in other enterprises, regardless of the fact there is some risk involved. As Comrade Xiaoping has said, we should

undertake reform as the second revolution; how, then, can we not expect to encounter a little risk? Guarding against the loss of assets of large and medium state-owned assets is indeed a problem. However, the value of assets can be maintained and increased only through reform to solve practical issues.

On the question of curbing inflation, Qiao Shi underscored the need to take effective measures to strengthen macroeconomic regulation and control.

### Qiao Stresses Deepening Reform

OW0903231995 Beijing XINHUA in English 1700  
GMT 9 Mar 95

[FBIS Transcribed Text] Beijing, March 9 (XINHUA)—Chairman of the National People's Congress [NPC] Standing Committee Qiao Shi said today that efforts should be made in deepening reform and opening-up, and in places where conditions permit, bigger steps may be taken.

Qiao was speaking at a NPC panel meeting with deputies from east China's Fujian Province.

After listening to the opinions of Fujian deputies, Qiao said that Fujian Province, which is close to Taiwan, is very important in promoting ties across the straits and the reunification of the country.

The province has been developing rapidly these years and has bright prospects, he said.

Making greater strides in reform and opening up, it will certainly contribute more to the country.

Qiao Shi said that the reform in state-owned enterprises should be stepped up, adding that successful experience in the reform should be summed up to help with other enterprises.

When talking about agriculture, the chairman said that the decisions adopted at the recent central rural working meeting should be implemented.

He noted that Fujian enjoys good natural conditions in developing agriculture, saying he is confident that the province's agriculture can make a further step forward if the decisions are implemented.

He urged local officials to make special efforts to control environmental pollution, saying that pollution must be reduced or avoided in the course of developing modern industry.

### Qiao Interviewed on Basic Laws

OW0903134695 Beijing XINHUA in English 1336  
GMT 9 Mar 95

[FBIS Transcribed Text] Beijing, March 9 (XINHUA)—China's National People's Congress (NPC) and its Standing Committee will step up legislation this year and

examine several economic laws in line with the need in establishing a socialist market economic system.

Qiao Shi, Chairman of the NPC Standing Committee, said here today that laws to be deliberated will include those on bills, insurance, State property, guarantee, contract, futures trading, bankruptcy and the People's Bank of China.

In an interview with China's Central Television Station, Qiao said that this year will see the formation of a basic legal framework for guiding the socialist market economy.

He said that the Eighth NPC and its Standing Committee have given top priority to the formulation of economic laws.

Since March 1993, the Eighth NPC and its Standing Committee have worked out more than 20 laws and decisions, including the Company Law, the Economic Contract Law, and the Law on Protecting the interests of Consumers.

Besides, the State Council and local people's congresses have issued regulations concerning the market economy.

### Jiang Says Policy Net To Change

OW0903165895 Beijing XINHUA in English 1631  
GMT 9 Mar 95

[FBIS Transcribed Text] Beijing, March 9 (XINHUA)—President Jiang Zemin today stressed the necessity of upholding the basic line of the Chinese Communist Party and the Party's policies on building socialism with Chinese characteristics for a long to come.

This serves as the "fundamental basis" for achieving social stability and stability in the reform and economic construction, Jiang said.

While joining the 160 National People's Congress deputies from south China's Guangdong Province in examining the government work, Jiang, who is also general secretary of the Party Central Committee, aired his views on a number of questions.

In his speech, Jiang praised Guangdong Province, a national pace-setter in the reform and opening up, for its achievements in the reform, development and stability in the past few years.

He said that during an inspection tour of Guangzhou and Shenzhen in Guangdong last year, he had reiterated that the determination of the central authorities to develop special economic zones will not change, nor will basic policies of the central authorities concerning such zones, and nor will the historical status and roles of such zones in the reform, opening up and the modernization drive.

"Today, I would like to take this opportunity to reiterate again that the Party Central Committee's basic policies

on the reform, opening up and the modernization drive will not change for a long time to come," he told the deputies.

"Because a change is detrimental to our reforms and development, and the masses of the people will never approve," he explained.

With economic and social development and the establishment of a socialist market economic structure, "our basic policies will become increasingly more perfect and richer in the content," he said.

Meanwhile, to meet the requirements of the reform and development, some aspects of basic policies need readjustments or supplements, with the aim of making basic policies even more perfect, he added.

President Jiang asked Guangdong to create and provide more and better experience in the reform and development in the future.

According to the leader, specifically, experience and approaches should be created on how to strengthen agriculture, particularly grain production, as the foundation of China's economy while maintaining sustained growth of the manufacturing industry and the service sector; on how to ensure the improvement in the quality and efficiency of economic growth while maintaining rapid development of the economy; on how to rationalize the pattern of foreign investment while energetically bringing in overseas funds; on how to carry forward China's fine traditions and conscientiously resist various foreign decadent things while boldly absorbing all useful things from abroad; on how to effectively promote ideological and cultural progress while concentrating on developing the economy and promoting material progress; on how to effectively prevent unfairness in income distribution and achieving common prosperity while encouraging some people and areas to become prosperous sooner; and on how to create, in the course of establishing a socialist market economic structure, China's own approaches in line with its actual conditions and economic development while drawing on all scientific expertise and experience in the Western market economy.

"All these questions are important topics we are facing in the modernization drive," President Jiang said.

In his speech, he also urged efforts to speed up preparation in various fields for resuming the exercise of China's sovereignty over Hong Kong and Macao.

"In this regard, Guangdong, especially Shenzhen and Zhuhai special economic zones, assumes important and glorious responsibility," he said.

He added that the crux of the matter lies in making the reform and opening a success, and vigorously promoting economic construction, as well as material progress and cultural progress.

This will help maintain prosperity and stability in Hong Kong and Macao, he noted.

#### Warns Against Western Influences

HK1003050595 Hong Kong SOUTH CHINA MORNING POST in English 10 Mar 95 pp 1, 11

[By Daniel Kwan in Beijing]

[FBIS Transcribed Text] Chinese Communist Party boss Jiang Zemin yesterday told Guangdong to wipe out decadent influence from the West and to promote patriotic education and traditional culture. Although foreign investment and technology were welcome, the General Secretary said Guangdong, China's richest and most independent-minded region, must guard against corrupt ideas from the West.

Speaking to the Guangdong delegation of the Eighth National People's Congress, Mr Jiang said Guangdong would continue to play a pioneer role in China's reform to provide "experiences" for the rest of the country. The experiences, Mr Jiang said, should include how to keep a balanced growth of the economy without affecting the "fundamental position" of agriculture.

On the economy, the General Secretary reminded the Guangdong cadres that they must make better use of capital and channel foreign investment into those key projects and areas. However, he stressed that in her pursuit for economic growth, Guangdong must pay special attention of maintaining "long-term stability" and sharp rises and falls. But Mr Jiang offered no new concessions or policies for the freewheeling province.

He reassured the Guangdong delegates that China's economic policies would remain unchanged for a long time, and reaffirmed the role of Special Economic Zones in the country's economic development.

"I can say (this) today: the basic policies of the Party will remain unchanged for a long period of time, just as Deng Xiaoping had said that there will be no changes for as long as 100 years," Mr Jiang said. He even told them not be influenced by comments made by "individuals" that there would be rollbacks of reform because it was a decision by the party central to continue the present policies.

Prior to Mr Jiang's 40-minute address, Guangdong Governor Zhu Senlin also gave a speech in which he specifically asked Beijing for clear instructions on how to continue the SEZ experiment and permission to reform the province's border and customs management.

"On how to ensure our basic policies for SEZs can continue, the Guangdong Communist Party and Government have filed reports (to Beijing) and (we) hope the State Council can give us a reply as soon as possible," Mr Zhu said.

But Mr Jiang provided no answer to the Governor's demands yesterday. Instead, he spent much of his time

talking about the importance of teaching Chinese youth China's rich cultural heritage, the painful lesson China learned from the Sino-Japanese war and the necessity of maintaining a healthy grain reserve.

Although the Party boss said he did not oppose modern fare like pop songs, he said Chinese youth should spend more time on Chinese classics like Tales of the Water Margin and Dream of the Red Chamber or even the Anna Karenina by Tolstoy. He denied the filtering of Western influences was an "anti-foreign" move and said China would continue to absorb all "distinguished traditions" from the West. In order to remind the younger generation of the painful period in the Japanese invasion war, Mr Jiang suggested that Chinese youth should also expose themselves to those old revolutionary songs.

"Yes, we have a rich 7,000 years of heritage, but we also have a hundred years long of painful experience in our recent history," he said.

Shenzhen Party Secretary Li Youwei was "encouraged" by Mr Jiang's speech. "I am now confident that Shenzhen will be able to advance to new height this year," he said.

#### Zhu Rongji Attends Discussion

OW1003000995 Beijing XINHUA Domestic Service in Chinese 1110 GMT 8 Mar 95

[By reporters Jiao Ran (3542 3544) and Zhang Yijun (1728 4135 0193)]

[FBIS Translated Text] Beijing, 8 Mar (XINHUA)—Zhu Rongji, Standing Committee member of the CPC Central Committee Political Bureau and State Council vice premier, called on the Xinjiang delegation to the Third Session of the Eighth National People's Congress to join deputies in their deliberation of the government work report.

After listening to deputies' speeches, Zhu Rongji said: Last year, the Xinjiang Uygur autonomous regional party committee and government, under the leadership of the party Central Committee and State Council, worked with the people of all nationalities in Xinjiang and scored remarkable achievements in economic development. In particular, its coordinated industrial and agricultural development—9.9 percent industrial and 9.1 percent agricultural growth rate—was a rare feat in the whole country.

He emphasized: Agriculture is an economic advantage for the central and western regions, particularly for Xinjiang. Without increasing agricultural production, it is difficult to promote economic development in these regions. The party Central Committee's rural policies, especially the reform of grain and cotton procurement and marketing systems last year, thoroughly reflect the preferential treatment for central and western regions. Cotton production alone brought an additional several billion yuan in revenue to Xinjiang, with a growing

economic benefit. The completion of the double-track Lanzhou-Xinjiang railway in the past two years created an even more favorable environment for Xinjiang's economic take-off. I believe that led by the party Central Committee with Comrade Jiang Zemin as the core, and through the concerted effort of people of all nationalities in Xinjiang, its economy will surely develop and its living standards will improve more expeditiously. I am fully confident about Xinjiang's development and stability.

#### Zhu Stresses Enterprise Reform

OW0903153695 Beijing XINHUA in English 1506  
GMT 9 Mar 95

[FBIS Transcribed Text] Beijing, March 9 (XINHUA)—The reform of State-owned enterprises has been set as the first and foremost task for the government this year, according to Vice-Premier Zhu Rongji here today.

At a panel meeting with deputies to the National People's Congress from northeast China's Liaoning Province, he said that the work focus in deepening the macro economic reforms this year should be gradually shifted to the reform of enterprises. Promoting reform of enterprises is especially significant to Liaoning, since the province has a big concentration of State enterprises and heavy industries, he said.

The vice-premier explained the view of Jiang Zemin, General Secretary of the Chinese Communist Party Central Committee, that doing well with State-owned enterprises lies in separating the functions of the government from those of enterprises, improving internal management and gradually building up a sound social security system.

Zhu, also a member of the Standing Committee of the Political Bureau of the CPC Central Committee, said that cutting the number of employees, raising efficiency, pushing mergers and allowing bankruptcy are most important in changing enterprise mechanisms.

State enterprises will have a motive force for growth after the establishment of the social security, autonomous employment and bankruptcy systems, he said.

The vice-premier also said that bankruptcy cannot be carried out indiscriminately. It should get approval from relevant departments and banks involved. Enterprises, operating at a loss, must not be allowed to offset debts.

He also called on managers of enterprises to take resolute action to upgrade technology, improve product quality, and enhance internal management, so as to improve enterprise performance.

#### Lu Ping Discusses Hong Kong Issues

OW0703175695 Beijing XINHUA in English 1700  
GMT 7 Mar 95

[FBIS Transcribed Text] Beijing, March 7 (XINHUA)—A temporary legislative body to facilitate judicial affairs

after 1997, the year China recovers the exercise of sovereignty over Hong Kong, is the best choice.

This was stated by Lu Ping, director of the Hong Kong and Macao Affairs Office of the State Council, here today while he was introducing the work of the Preliminary Working Committee of the Preparatory Committee for the Hong Kong Special Administrative Region [SAR] to NPC [National People's Congress] deputies and CPPCC [Chinese People's Political Consultative Conference] members from Hong Kong.

The suggestion to set up a temporary legislative body was put forward by the preliminary committee, he said. For reasons known to the public, the original "through train" program cannot be exercised any more. Many legislative issues have to be handled by the body. Otherwise, he said, a smooth establishment and operation of the SAR government will be affected.

On the issue of handing over the service files on top civil servants to the Chinese government, Lu Ping said it is a matter of principle linked up with the basis and crux of the Sino-British Joint Declaration on the Hong Kong Issue.

He said the Chinese government will not move the files to Beijing. They will be kept in Hong Kong and be handled according to original systems.

There is not such a thing as disclosing information concerning individual privacy or giving punishment afterwards, he said. On the contrary, he said, local civil servants will have worries if the British side refuses to turn over the service files to the Chinese government and use these files to exert influence on the civil servants in the future SAR government.

On the court of final appeal agreed upon between China and Britain in 1991, Lu explained it is to replace the current judicial body in Hong Kong and should be set up before 1997.

But the British side did not submit a revised bill on the court until January this year. It is obviously difficult for the Chinese side to examine and approve the bill in just two months, for the bill also involves issues like judicial administration, which was not included in the 1991 agreement, Lu said.

#### Reportage on Activities of NPC Deputies

##### Deputies Hold News Conference

OW0903165595 Beijing XINHUA in English 1536  
GMT 9 Mar 95

[FBIS Transcribed Text] Beijing, March 9 (XINHUA)—Several deputies to the current session of the Eighth National People's Congress [NPC] jointly held a press conference here today and answered questions on agricultural development.

These deputies are from Liaoning, Shandong, Sichuan, Jiangsu and Guangdong provinces.

Asked about the agricultural input, Yu Jingzhong, director of the Department of Agriculture and Forestry of east China's Jiangsu Province, said that his province could raise 1.2 billion yuan every year for the production of grain and cotton.

Wang Weitian from Shandong said that his province had set up ten agricultural new and hi-tech pilot areas in a bid to popularize fine crop seeds.

Asked how to go ahead with the rural reform, Yu Jingzhong answered that the operation of scale might be the resolution, on the basis that the household contract responsibility system should be maintained and improved.

#### Deputies on 9th 5-Year Plan

OW1003081795 Beijing XINHUA in English 0800  
GMT 10 Mar 95

[FBIS Transcribed Text] Beijing, March 10 (XINHUA)—Deputies attending the on-going session of the Eighth National People's Congress expressed the hope that the government adopt a strategic approach to the drafting of the Ninth Five-Year Plan for Economic and Social Development (1996-2000) during their panel discussions these days.

This year is the last year for the Eighth Five-Year Plan. Premier Li Peng stated in his Report on the Work of the Government that the drafting of the Ninth Five-Year Plan is an important task this year.

Zhang Zhongli, president of the Shanghai Academy of Social Sciences, said that the Ninth Five-Year Plan period will be important for China to promote the reform, opening up and modernization construction. It is also a period for the establishment of the socialist market economy system.

Thus, the 75-year-old deputy said, the plan should be far-sighted, highly strategic and able to play a guiding role. It should pay attention to economic efficiency but also to social and ecological efficiency.

Liu Benren, chairman of the Wuhan Iron and Steel Company, said that the new plan should reflect the state industrial development strategy and stress the development of agriculture, energy, transport, telecommunications and other basic industries.

He and other deputies said that the guiding principle for the new plan should be "deepening reform, accelerate opening up, promoting development, and maintaining stability."

Gong Cunling from Anhui Province held that it will be an important task for China to resume the exercise of sovereignty over Hong Kong and Macao and improve

relations between the two sides of the Taiwan Straits during the Ninth Five-Year Plan period.

She also said that enough attention should be paid to the development of the central and western parts of the country.

Deputies also asked the central authorities to effectively dovetail the Eighth and Ninth Plans.

#### Deputies View Work Report

OW0903144195 Beijing XINHUA Domestic Service in Chinese 1520 GMT 6 Mar 95

[FBIS Translated Text] Beijing, 6 Mar (XINHUA)—Yesterday afternoon, some 2,900 deputies from the 32 delegations to the Third Session of the Eighth National People's Congress began group discussions of the Government Work Report delivered by Premier Li Peng on behalf of the State Council. They maintained: The report realistically summed up achievements in last year's work, and clearly laid out this year's tasks. Although we continue to encounter various difficulties and problems during the course of advancement, we can keep scoring even greater successes in reform, opening up, and socialist modernization as long as people of all nationalities across the country unite as one, closely rally around the CPC Central Committee with Comrade Jiang Zemin as the core, and thoroughly implement the tasks spelled out in the Government Work Report.

Deputies spoke one after another at 131 secondary meeting venues that maintained a lively atmosphere.

Shandong Deputy Zhao Zhihao said: The decisive step taken last year toward economic structural reform will have a profound and far-reaching impact on reform and development in the future. This assessment and conclusion in the Government Work Report are correct and realistic. Under meticulous central guidance, a series of major reform measures were promulgated for implementation, and they were unprecedented in terms of depth, scope, and forcefulness. Fiscal and taxation reform, which was the most difficult of all, was instituted successfully. Practice has provided ample proof that to embrace reform is to grasp the crux of the matter—the vital part of the drive for liberating and expanding productive forces.

Zhejiang Deputy Li Zemin said: Premier Li Peng's report is sound, clearly conceived, realistic, and motivational. By and large, our country has achieved new results and made new headway in handling internal and foreign affairs, judging by the developments over the past year. In short, there have been "four further improvements"—in China's overall national strength, in China's world standing, in the living standards of urban and rural residents, and in the standards and skills that the CPC Central Committee and State Council demonstrated in keeping the overall situation under control and in exercising overall leadership over domestic and foreign affairs.

**Shaanxi Deputy Cheng Andong maintained:** The report underscores the importance of moderation, both in its analysis of the past situation and discussion of future developments. The report uses the phrase "act according to one's ability" in several instances. It puts the economic growth rate at 8 to 9 percent, and limits this year's price increases to some 15 percent. All these reflect a realistic approach. Premier Li Peng advised the people of the difficulties that we encounter in building a socialist market economy, as well as existing problems. This is democracy. People throughout the country are mentally prepared for conquering difficulties that lie ahead. This is the prerequisite for making a success of our work. We applaud the report for not using boastful words and not talking of things that cannot be accomplished. This is the CPC's consistently practical and realistic work style.

**Sichuan Deputy Xie Shijie said:** In a report that runs to more than 30 pages, the premier devoted only six pages to last year's achievements, using the remainder to review last year's work in a realistic manner, and to plan this year's work with the same attitude. The report's analysis of the causes of excessive price increases is thorough and objective; this is very significant for the improvement of future work. This kind of pragmatic spirit serves as an example for governments at all levels.

**Liaoning Deputy Quan Shuren said:** Premier Li Peng's Government Work Report hits the nail on the head because it focuses economic reform on controlling price increases, on invigorating the state sector of the economy, on giving greater scope to the state sector's dominant role, on deepening reform of state-owned enterprises, and on consolidating and improving the macroeconomic control system; and because it gives priority to promoting overall rural economic development. Expediting reform, focusing on improving large and medium state-owned enterprises, and promoting faster national economic development offer excellent opportunities to Liaoning.

**Hubei Deputy Jia Zhijie said:** Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line run through the Government Work Report, which completely follows the guidelines of the 14th CPC National Congress and the Third and Fourth Plenary Sessions of the 14th CPC Central Committee. The report also reflects the dialectical relationship between reform, stability, and development. The report offers a penetrating analysis of difficulties and problems that lie ahead. It identifies subjective and objective reasons, and is convincing. Moreover, the various measures enumerated in the report are specific, clear-cut, and workable. As long as we go all-out to implement them, we can surely achieve this year's goals and tasks, and scale new heights.

**Xinjiang Official Opposes Fundamentalism**  
HK0903142995 Hong Kong Television Broadcasts  
Limited in English 1200 GMT 9 Mar 95

[From the "News at 8:00" program]

**[FBIS Transcribed Text]** In Xinjiang Province, Muslim fundamentalists have been organizing separatist movements, according to an official from the region. Wang Lequan, of the Uygur autonomous region, said he will not tolerate the concept of combining religion with politics. Jenny Lam reports from Beijing:

[Begin recording] [Lam] Delegates from the northwestern corner of China, in Beijing for the annual parliamentary session. [video shows mixed group of Chinese and non-Chinese delegates, including some women and one man wearing a military uniform, engaged in what appears to be a panel discussion] More than 60 percent of Xinjiang's population are Muslims, most of them of the Uygur tribe, some in connection with others who share their religion outside China. [video changes to show Wang Liqian being interviewed by three reporters]

[Wang Lequan, of the Xinjiang Regional Committee—identified by screen caption; in Mandarin with English subtitles; following translated from the Mandarin] There is a handful of people who have crossed the border to Xinjiang to advocate fundamentalism, that is, the concept of combining religion with politics. Of course, we cannot permit that. That is not welcome. They should leave.

[Lam] Wang Lequan, of the Han minority in Xinjiang, wouldn't specify the separatist activities the Muslim fundamentalists have been carrying out, but he pointed to an escalation of the movement since 1989. [Wang in Mandarin, with English subtitles; following translated from the Mandarin] Following the 4 June 1989 incident in Beijing, a tiny handful of backbones, including the noted Wu'er Kaixi—you know him quite well, he is one of the young mavericks—escaped abroad and set up such an organization.

[Lam] The call for Xinjiang's independence goes back to the communist liberation of China in the 1940's. A Kuomingtang man named Aishao fled the country and apparently organized the movement from abroad, but little of his plight has been heard of since from that far away province of China. [end recording]

#### Shandong Governor on Work Ideas

SK1003001595 Beijing XINHUA Domestic Service in Chinese 2059 GMT 7 Mar 95

[By DAZHONG RIBAO reporter Zou Yanjuan (6760 5333 1227) and XINHUA reporter Chen Yan (7115 7159): "Li Chunling, Newly Elected Shandong Provincial Governor, Says That as a New Official, He Does Not Apply Strict Measures, but Acts as a Good Worker To Add Firewood"]

**[FBIS Translated Text]** Beijing, 7 Mar (XINHUA)—As the saying goes "a new official applies strict measures." Li Chunling, newly elected Shandong Provincial governor, who attended the third session of the Eighth National People's Congress [NPC] as an observer, does

not plan to do so, but would like to be a "worker to add firewood." He said: "I do not have a plan to make three fires or to kick three times, but plan to dedicate myself to be a good firewood-adding worker, seek truth, deal with concrete matters relating to work, do my work in a down-to-earth manner, keep forging ahead, add firewood very often, implement to the letter the province's tasks and targets at present and in the foreseeable future set forth by the provincial party committee and government according to the major tasks of the party Central Committee and the State Council and Shandong's actual conditions, and make the fire of reform, opening up, and economic construction burn better and more vigorously."

Some newly elected provincial governors became public figures when holding interviews with reporters at the third session of the Eighth NPC. Li Chunting could not but say a few words when reporters "grapped" him. Li Chunting said: "One generation plants the trees under whose shade another generation rests. Trees are growing day by day. Shandong's faster economic development resulted from the efforts made by the provincial party committee, the provincial government, and all people of the province under the leadership of the central authorities over the past years. How to be a good firewood-adding worker is a matter of which I am pondering."

To act as a good firewood-adding worker and to have the central authorities and more than 80 million Shandong people feel rest assured, he stressed the necessity to "rely on four aspects."

First, rely on the party. We should consciously maintain a high degree of unity with the party Central Committee in ideology, politics, and action; and resolutely safeguard the central authorities' centralized integration and authority. According to General Secretary Jiang Zemin's requirements for "study, study, and study again," we should conscientiously study Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics; accurately handle the relationship between the part and the whole and between the localities and the central authorities; ensure the implementation of the central line, principles, and policies; and make efforts to do a good job in integrating the central instructions with Shandong's reality.

Second, rely on the people. As the people's public servant, the government should put its starting point and standpoint on serving the people wholeheartedly. We should always firmly remember Comrade Xiaoping's instructions—"leadership is service," regard the seeking of interests for the people as the highest criterion, thoroughly fight for the cause of the party and wholeheartedly serve the people with the rights entrusted by the party and the people, but never use the rights to seek private gains for ourselves or for small groups. We should persist in the mass line, carefully listen to the voices of the masses, be concerned with the weal and woe of the people, maintain the flesh-and-blood relationship

with the masses, and fully mobilize and bring into play the broad masses of the people's enthusiasm.

Third, rely on legal systems. In a sense, the socialist market economy is a legalized economy. To suit the demands for developing the socialist market economy, the government must intensify the sense of legal systems; upgrade the level of legal administration; standardize its activities strictly according to laws and regulations; prevent and correct the phenomena of not abiding by laws, not strictly enforcing laws, and not investigating law breakers; form a good environment in which the provincial affairs are handled according to laws; and develop Shandong along the orbit of legal systems.

Fourth, rely on unity. Unified leading bodies, skilled persons, and efficiency will emerge when unity is stressed. Shandong's achievements in various spheres over the past years also benefited from unity. Therefore, we should achieve the unity between the Army and the government, between the Army and the people, among various fronts, and among the people from higher levels downward in an effort to achieve the work of Shandong.

#### Monetary Policy Commission Viewed

HK1003055495 Hong Kong *EASTERN EXPRESS* in English 10 Mar 95 p 27

[By Wang Xiangwei, Beijing]

[FBIS Transcribed Text] China will launch its own version of the Federal Reserve Board's open market committee later this year to formulate independent monetary policies, monitor monetary growth and maintain the stability of the Chinese currency, a senior Chinese legislator said yesterday in Beijing.

The State Monetary Policy Commission is expected to come into being following the anticipated passage of China's first central bank law, to be presented tomorrow at the current plenary session of the National People's Congress, the country's parliament, said Huang Da, a member of the NPC's finance and economic committee.

Huang is a member of the team drafting the central bank law and a strong advocate for a relatively independent monetary authority in China. He said that the monetary authority is more likely to be under the jurisdiction of the People's Bank of China, the country's central bank, but would maintain its relative independence. Huang said that it is unlikely for the monetary policy maker to be able to act independently of the central bank as the two are closely linked.

Huang said that the commission will not only include officials from the central bank but also representatives from the State Planning Commission and Ministry of Finance as well as officials from other ministries. "However, the composition and the structure of the commission is not important but what counts most is to make sure the commission will be given relative independence

to make monetary policies and uphold the stability of the Chinese currency," Huang said.

He rejected the suggestion that the new commission should enjoy absolute authority in monetary policies, free from government directives, saying such freedom is not granted to similar bodies in other countries.

"In most of the countries across the whole world including the developed countries such as Japan, their monetary authorities cannot enjoy the absolute independence, the subject still hotly debated in the universities and academic journals," Huang said.

Meanwhile, he expected the central bank to maintain similar control over monetary supplies for this year as 1994 when the narrowly-defined monetary supply M1 was estimated to have increased by 28 percent over 1993.

Huang said that China would bring the inflation to its estimated target of 15 percent this year as the monetary controls are still in force.

Another reason is that Beijing has indicated that it will put on hold further price liberalisation this year.

And more importantly, the one-off price hikes in food-stuffs and agricultural products, which accounted for most of the country's high inflation in 1994, will not be repeated in 1995, he said.

Last year national inflation increased by at least 25.5 percent, far higher than the government-set target of below 10 per cent.

#### Deputies To Hold First Plenum

SK1003032195 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 8 Mar 95

[FBIS Translated Text] The Heilongjiang provincial delegation of deputies to the third session of the Eighth National People's Congress [NPC] held its first plenum on the morning of 8 March during which, in line with the government work report made by Premier Li Peng and bearing in mind the province's reality, the deputies commonly worked for the fine policy of development by holding a special discussion on the subjects of enhancing the basic position of agriculture; making the rural economy prosperous; and deepening reform among the state-owned enterprises.

Attending the plenum to listen to and join in the discussion were central leaders including Chi Haotian, councillor of the State Council and minister of national defense, and He Guangyuan, minister of the Machine-Building Industry.

Yue Qifeng, secretary of the provincial party committee, presided over the plenum. In voicing his opinion, he repeatedly stressed: In developing agriculture, we should increase input and call on the state to give necessary special policies to regions full of natural resources.

In voicing his opinion, Wang Rensheng, a deputy from Harbin, described the slow progress caused by the slow delivery of state funds for building projects within large counties with marketable grain, including Hulan, that are receiving state assistance for key projects. He called on the state to enforce special management over special loans and to release loans in a timely manner and in full amounts.

Wang Wenzhi, a deputy from Suihua Prefecture, stated: At present, it is necessary to emphasize investments in conducting farmland capital construction, building fertilizer plants, popularizing the advanced agricultural technologies, supporting the counties of marketable grain bases, and following the road of industrialization. He called on the state to make arrangements for more projects to process farm and sideline products for provinces with marketable grain bases so as to support peasants to deepen the development in the fields of grains, animals, vegetables, sugar, flax, and tobacco. By so doing, we can enable peasants to increase their income, have local financial department broaden their financial resources, and have more practical strength in supporting agriculture.

Liu Wenju, a deputy and director of the provincial general administration of state farms, contended that state policies on protecting agriculture have been stagnant; that the combination of supplies among the means of production had been chaotic, and effects achieved in bringing prices of the means of production under control have been very small because the measures had been adopted after the runaway of prices; that the project of protecting farmlands had been put forward only after the serious occupation of farmland; and that the long-standing price differences between industry and agriculture have not yet been readjusted through the readjustment of policies. He called on the state to fully consider the problems encountered by agriculture, rural areas, and peasants while establishing the systems of socialist market economy and to resolve the problems in the embryonic stage.

Guo Jianyu, a deputy from the Tuolarji No.1 Heavy Machinery Plant, contended that it is necessary to adopt classified and orderly measures to gradually enliven state-owned enterprises group by group. In order to deal with the problem of the overly high rate of debts existing in the assets of enterprises, he suggested that in handling loans released for capital construction after the tax reform and for enterprises that are establishing modern enterprise systems, it is necessary to turn the transformation from fund appropriation to loans into the transformation from loans to investments as well as to adopt other methods so as to enable enterprises to eliminate their burdens.

Central leaders—including Chi Haotian, councillor of the State Council and minister of national defense, and He Guangyuan, minister of the Machine-Building Industry—earnestly listened to the opinions and suggestions

raised by the province's deputies and expressed that they will earnestly sort out these opinions and suggestions so as to submit them to the State Council or the relevant departments. Meanwhile, they highly acknowledged the tremendous contributions made by Heilongjiang to the country and urged people across Heilongjiang to heighten their spirit, exploit their strong points and avoid their shortcomings, and bring their strong points into play so as to create a new situation in Heilongjiang.

#### Guangxi To Resettle Population To Solve Poverty

HK1003024795 Beijing ZHONGGUO XINWEN SHE  
in English 1319 GMT 9 Mar 95

[FBIS Transcribed Text] Beijing, March 9 (CNS)—At present, Guangxi has 8 million people living below the poverty line, ten percent of the country's total. Cheng Kejie, deputy of the National People's Congress and governor of Guangxi Zhuang Autonomous Region, thinks that to resettle people in better developed areas is the best way to tackle the poverty problem.

Cheng Kejie said that by the end of this century, some 200,000 of the poverty-stricken living in mountain areas in Guangxi will be moved. This work will be carried out over two years with investment of RMB 180 million [renminbi]. Some 60,000 people have been already moved.

China has planned to solve the poverty problem facing 80 million people in rural areas by the end of this century. Cheng Kejie said the task will be very difficult. In recent years, besides resettlement, the poor have exploited local resources for economic development. Moreover, Guangxi has sent 1.3 million laborers to coastal regions such as Guangdong and Hainan every year.

Cheng Kejie has written a letter to the central government with Zhou Guangzhao, President of the Chinese Academy of Sciences, He Zhiqiang, Governor of Yunnan, Chen Shineng, Governor of Guizhou, calling on the state to give preferential policies on protection and use of ecology, talent, capital input and item development.

Last summer, Guangxi suffered serious floods. Except for the 577 deaths in the floods, no one died of hunger or disease after the disaster.

After the disaster, Guangxi received donations of RMB 100 million from Hong Kong and Macao as well as RMB 180 million offered by people in the mainland. The state provided more than RMB 1 billion for economic recovery including loans and allocations. At present, 70 percent of collapsed housing has been reconstructed.

#### New Air Force Commander Gives Report to Jiang Zemin

OW0903173095 Beijing XINHUA Domestic Service in Chinese 1533 GMT 9 Mar 95

[By reporters Sun Maoqing (1327 5399 1987) and Luo Yuwen (5012 3768 2429)]

[FBIS Translated Excerpt] Beijing, 9 Mar (XINHUA)—Jiang Zemin, general secretary of CPC Central Committee, state president, and chairman of the Central Military Commission [CMC], this evening watched with great interest the full-scale modern drama "Ganbala"—which was performed by the modern drama troupe of the Air Force Political Department—together with members of the military delegation attending the Third Session of the Eighth National People's Congress.

Liu Huaqing, member of the Standing Committee of the CPC Central Committee and CMC vice chairman; CMC Vice Chairman Zhang Zhen; and CMC members Zhang Wannian, Yu Yongbo, and Fu Quanyou also watched the performance of the modern drama.

The Ganbala radar station of an Air Force unit was established on top of the Ganbala Shan, 5,374 meters above sea level in Tibet's Gonggar County. It has been carrying out the tasks of air-defense observation and has been providing guidance for flights over Tibet since 1965. [passage omitted]

Prior to the performance, Air Force Commander Yu Zhenwu [former deputy commander of the People's Liberation Army Air Force] and Air Force Political Commissar Ding Wenchang gave a report to Jiang Zemin and other CMC leaders about the creation of the modern drama "Ganbala." [passage omitted]

#### Better Economic Operations Stressed for Coastal Areas

OW1003015595 Beijing XINHUA in English 0130  
GMT 10 Mar 95

[FBIS Transcribed Text] Beijing, March 10 (XINHUA)—Coastal China has been leading the country in economic development both in speed and quality, but today the coastal areas are urged to still upgrade their economic operations to ensure sustained and better growth, according to deputies to the National People's Congress.

China's economic growth rate reached 11.8 percent last year but the growth rate of some coastal provinces exceeded 20 percent. The industrial output value of the 10 coastal provinces and municipalities and one autonomous region accounted for 65 percent of the national total.

But they face similar problems such as similar industrial structures, comparatively low technical level and limited efficiency, experts attending the ongoing annual session pointed out.

Wan Xueyuan, governor of Zhejiang Province, which records one of the fastest growth rates, said that Zhejiang will stress the development of pillar industries and the high-tech sector to restructure its economy.

Another deputy, Chen Haodong, director of the Tianjin Municipal Planning Commission, said that the port city

in north China will offer special assistance to the production of hot-selling commodities, leading industries and enterprises with good returns so that the city's economy will grow with giant steps.

Shanghai, the largest metropolis of China, whose Gross Domestic Product (GDP) grew by 51 percent compared with 1991 and revenue by 109 percent, will also have to upgrade its economic operations to achieve still better efficiency.

Shanghai's newly-elected Mayor Xu Kuangdi said that Shanghai still has a large potential to be developed through economic restructuring and scientific and technological upgrading.

The city is to increase the output value of its service industry this year by a large margin to exceed 40 percent in GDP growth. Its auto-making industry, in particular, is expected to grow to account for 45 percent of its total industrial output value.

In recent years, the average growth rate of the coastal areas has remained about five percentage points higher than the national growth level. Some experts say China's economic growth is, to a large degree, dependent on growth in these areas.

#### PAP Commander Cites Poor Conditions, Treatment

HK1003051595 Hong Kong SOUTH CHINA MORNING POST in English 10 Mar 95 p 10

[By Daniel Kwan in Beijing]

[FBIS Transcribed Excerpt] A top Beijing police officer yesterday called for more funding for the police and complained about the poor treatment of the capital's 30,000 law enforcement officers.

Meng Zhende, commander of the municipal People's Armed Police Corps, said the leadership must give the police top priority in the budget. Many officers in Beijing were both poorly equipped and badly treated, he said.

"It is a common wish among the 30,000 police officers in Beijing for a significant improvement in our equipment, facilities and living conditions," he told party Secretary Chen Xitong and Mayor Li Qiyuan.

At a group discussion of Beijing delegates to the National People's Congress, Mr Meng complained that equipment and facilities lagged far behind the times.

"We can no longer fight crime just [walking] on our two feet and (riding) bicycles like in the past," he said.

He asked officials to upgrade communication equipment and improve police medical benefits. Mr Meng blamed the increase in serious crime on the rapidly expanding floating population. More than half of the criminal cases and 70 percent of the serious offences investigated by Beijing police last year were found to be committed by non-Beijing residents.

According to a report by the Beijing's Supreme People's Court, the judiciary sentenced 5,818 people for serious criminal charges last year, an 18 percent increase from the previous year. [passage omitted]

#### Minister on Revenue Transfer To Aid Poorer Regions

OW0903144595 Beijing XINHUA in English 1410 GMT 9 Mar 95

[FBIS Transcribed Text] Beijing, March 9 (XINHUA)—Finance Minister Liu Zhongli said today the Chinese Government plans to institute a revenue transfer system in a bid to narrow gaps in economic development between developed and underdeveloped areas.

Under the new system, the central government will transfer part of its increased revenues to underdeveloped areas to speed up their development, Liu said.

He made the remarks here in a panel discussion with National People's Congress [NPC] deputies from the Ningxia Hui Autonomous Region in northwest China.

The deputies focused their discussions on how to narrow gaps between central and western areas and coastal areas—a task spelled out by Premier Li Peng in his government work report.

Minister Liu said, "In establishing a standardized financial system, we should do everything within our power to make the market competition environment and conditions fair."

Therefore, various preferential policies will become fewer and fewer in the future, he added.

"The solution to the problem of uneven economic development lies in adopting the method of revenue transfer, namely, transferring part of the central government's increased revenues to underdeveloped areas," he told the deputies.

He described the reform of the financial system carried out in 1994 as a "breakthrough," with the aim of setting up the framework for a new financial system.

"We shall focus our work in 1995 and 1996 on deepening and improving reforms. So, we shall begin to study how to introduce the revenue transfer system," he said.

No ideal plans can be drawn up within a short time, he said, adding that as an exploration, the central government will begin from this year to appropriate part of its increased revenues as subsidies to eight provinces and autonomous regions in central and western China.

According to Liu, the support of the central government to economic growth in central and western China also finds expression in increasing the number of priority construction projects undertaken there.

The central government's funding will enable these areas to complete a number of large projects in transportation,

energy and raw materials industries, paving the way for long-term development there, he noted.

He said that economic development in central and western China is inseparable from that of whole China.

"Economic growth is based on funds and resources," he said.

Coastal areas in east China are deficient in natural resources, while central and western China are rich in such resources, he said.

"That is why speeding up development in central and western China will promote economic growth in both coastal and hinterland areas," he said.

The minister emphasized that to solve the problem of imbalance in development between different areas will take "a very long time."

But he expressed the belief that a series of government policies will produce good results in solving the problem.

To solicit views of NPC deputies on the government work and to make policy decisions more scientific, leading officials of dozens of State Council departments have joined deputies in their panel discussions and have answered their questions since March 7.

Leading officials of the Ministry of Finance have joined the deputies from three underdeveloped areas—the Guangxi Zhuang Autonomous Region, Ningxia and Guizhou Province in their discussions.

### Chemical Fertilizer Supply To Suffice for Farmers

OW1003113295 Beijing XINHUA in English 0926  
GMT 10 Mar 95

[FBIS Transcribed Text] Beijing, March 10 (XINHUA)—China's chemical industry will be able to meet farmers' demand for chemical fertilizers this year, Gu Xiulian, Minister of Chemical Industry, said here today.

Joining National People's Congress deputies from the Ningxia Hui Autonomous region in deliberating the government work report, Gu aired her views on how to strengthen agriculture as the foundation of China's economy.

The chemical industry is responsible for providing sufficient chemical fertilizers, pesticides, plastic sheets and other agricultural capital goods to farmers, she said.

"So, the Ministry must do all it can to assist and meet the needs of the farming sector," she added.

The minister said that China's output of chemical fertilizers is targeted at 113 million tons this year.

The Chemical Industry Ministry is committed to meeting the target, she said, adding that 56.4 million tons will be manufactured in the first half of this year.

Production proceeded smoothly in the first two months of 1995, with 18.45 million tons produced, up 20 percent from the same period in 1994, she said.

Gu said that her ministry plans to turn out an extra four million tons of chemical fertilizers this year, in addition to meeting the State quota.

Increased output will include one million tons of urea and 800,000 tons of phosphate fertilizer.

"The Central Government has not only formulated preferential policies for the chemical industry, but also has decided to allocate 2.5 billion yuan in working funds to the industry," she said.

She said that leaders of various central departments and provinces are now doing everything within their power to promote chemical fertilizer production, and railway departments are giving top priority to transportation of such fertilizers.

"We shall try our best to manufacture quality chemical fertilizers to meet the needs of agricultural production and farmers," said Gu.

She also pledged that together with local governments, her ministry will launch a campaign to crack down on fake and shoddy fertilizers so as to protect farmers' interests.

### Jade-Carving Master Active as NPC Deputy

OW1003113695 Beijing XINHUA in English 0850  
GMT 10 Mar 95

[FBIS Transcribed Text] Beijing, March 10 (XINHUA)—Among the more than 2,000 deputies to the National People's Congress, China's top legislature, Li Bosheng is well-known as a national-level jade-carving master.

The jade-carving industry in China has a history of several thousand years. China is the world's only country where jade is used in the carving of different articles.

Li Bosheng said that the ancient industry is now in a difficult position. As a deputy to the Seventh and Eighth NPC, he has been appealing for efforts to help with the traditional industry.

Li, one of the five national-level jade-carving masters in the country, said that tourists now can buy jade articles from any arts and crafts shop or even a street peddler in Beijing.

"Some of the articles are very cheap. I usually advise my friends not to buy them, because they are mostly fake ones," he said.

Li, who calls himself a "jade-loving man," said that jade is like the cream of the Chinese nation. Several years ago he told visiting Kan Yuesai, an American of Chinese origin and an American TV anchorwoman, that she should not take jade articles only as commodities.

"It is difficult to find fine jade, and only carefully processed jade articles are valuable. This art requires high inspiration," he said.

According to Li, one factor plunging the jade-carving industry into difficulty is that State-owned factories produce large amounts of jade articles, but they have few really skilled jade carvers.

Statistics show that the jade-carving industry employs some 700,000 people throughout the country. The Beijing Jade Articles Factory, a State-owned enterprise where Li Bosheng works, has a workforce of 2,000.

Li said, "Many workers do not know arts. Some 85 percent of jade articles are sold below their production costs. I hear that a jade articles factory in Tianjin has just shut down," he said.

He proposed that the jade-carving industry should change management so that artists and the market will be able to seek their specific characters.

For several thousand years, jade has been processed by hand in workshops.

Li knows how difficult it is to invigorate jade-carving factories because it involves industrial property, employment and social security. "My problem is actually one in a number of state factories," he said.

"Moreover, cultural products are even more complex. In the course of shifting to a market economy, cloisonné, lacquerware, used book stores and the Beijing opera all have encountered their respective new problems," he added.

He said that what the government currently can do is to implement a number of protective economic and cultural policies.

Regulations governing the protection of traditional arts and crafts is being formulated by government officials and experts, including Li Bosheng.

Li said that during the ongoing NPC annual session, he plans to propose that no unified models should be adopted to develop various industries under conditions of a market economy.

### CPPCC

#### Delegates Urge Support for WWII Claims Against Japan

OW0903153395 Tokyo KYODO in English 1509 GMT 9 Mar 95

[FBIS Transcribed Text] Beijing, March 9 KYODO—Twenty-one delegates to the Chinese People's Political Consultative Conference [CPPCC] urged the Beijing leadership Thursday [9 March] to back individuals who are seeking compensation from Japan for atrocities suffered during World War II.

In a motion, they urged the government to recognize private groups that are fighting for Japanese compensation.

A similar proposal is expected to be submitted at the upcoming plenum meeting of the National People's Congress.

In their proposal, the delegates pointed out that other victims of Japanese aggression such as Koreans, Philippine nationals and Singaporeans are increasingly forming special organizations to pursue their compensation claims.

They argued that Chinese President Jiang Zemin, before visiting Japan in 1992, acknowledged China has waived its right to government compensation but said this decision does not preempt individual compensation claims.

They urged the Chinese Government to agree to the founding of a nationwide organization seeking compensation for "victims of Japanese aggression."

China, eager for Japanese economic assistance, has so far tried to discourage war compensation activists from aggressively pursuing their cause, while saying officially it will not interfere with the movement.

#### Daughter Notes Deng's Concern for Science, Technology

HK0903143295 Beijing ZHONGGUO XINWEN SHE in English 1136 GMT 9 Mar 95

[FBIS Transcribed Text] Beijing, March 9 (CNS)—Deng Nan, Deputy Director of the State Science and Technology Commission, said that Deng Xiaoping has been very concerned with the science and technology affairs in China. He hopes that science and technology can make greater contributions to economic and industrial development in China.

The statement was made by Deng Nan in the Science and Technology Group Discussion in the 3rd Session of the 8th Chinese People's Political Consultative Conference yesterday. A reporter asked, "In 1978, Deng Xiaoping said that science and technology make up primary productivity. Under this new situation, what is your view now?"

Deng Nan briefed the members of the Science and Technology Group under the Chinese People's Political Consultative Conference on the details of the State Science Conference which will be held this May. She said that this conference will be another important conference similar to the State Science Conference in 1978. Important senior leaders in China will be attending the conference.

When talking about the background to the conference, she said that at present China is facing the problems of adjustment of economic and industrial structure to raise the competitiveness of large and medium state-owned

enterprises and tackle problems in agriculture. To solve these problems, science and technology should be further developed and improved. The main focus of this conference is to implement Deng's idea that science and technology is the primary productivity by the whole nation, especially scientists and technicians. It will boost the economy by relying on the improvements of science and technology and raising productivity, realizing the sustained rapid and healthy development of the national economy and society.

In respect of changing scientific research mechanism, which is most concerned by the members of the Science and Technology Group, Deng Nan said that this is a very difficult problem. At present, there are more than 5,000 research institutes with 700,000 staff which are beyond the support of the State. However, the reform of scientific research system is not simply to cut down the number of researchers. The State hopes to convert most of research institutes into enterprises. Then the State can put its limited capital into its key projects.

She emphasized that at present, most of research institutes and enterprises in China lack creativity. Therefore, the State Science Conference will greatly promote this issue.

#### CCTV News Conference on Enterprises, Wages OW0903132695

[Editorial Report] Beijing Central Television Program One Network in Mandarin at 1430 GMT on 7 March broadcasts a 10-minute recorded report over video on the second news conference held by the Information Center of the Third Sessions of the Eighth National People's Congress and the Eighth Chinese People's Political Consultative Conference National Committee on 7 March for Chinese and foreign reporters in Beijing.

The video opens with a long shot of a packed conference hall containing about 200 people, and then closes in to show the table at the front of the hall where Wang Zhongyu, minister in charge of the State Economic and Trade Commission, and Labor Minister Li Boyong are seated facing the audience, together with an unidentified moderator and interpreter.

The moderator briefly introduces the two ministers to the news conference, and then Wang Zhongyu begins to take questions from reporters.

Asked about the deficits of state-owned enterprises, Wang Zhongyu said: "While recognizing the serious deficit problem among state-owned enterprises, we should also note their overall economic performance last year was somewhat better than in 1993. At the end of 1994, 34.3 percent of the total number of enterprises ran deficits, down 15.3 percentage points from the figure in the first quarter; and the volume of losses incurred increased 7 percent over that of 1993, but decreased more than 70 percent from the end of the first quarter. Although profit-making enterprises registered minus

growth in profits in the first quarter of 1994, growth in profits increased 10.6 percent by the end of 1994. These figures fully show that state-owned enterprises have improved their overall efficiency, though some indeed still face a very serious deficit problem. Deficits have been caused by many factors. These include the inability of enterprises to adapt themselves in the course of changing operating mechanisms; their failure to promptly readjust product mixes to keep up with market demand; excessive stockpiles and unmarketable products; debts accumulated from the past; and mismanagement. To solve the enterprise deficit problem, it is essential to deepen reform, to truly change operating mechanisms, and to update concepts in keeping with market demand while constantly readjusting product mix. Judging from the current situation, mismanagement is a very important factor leading to losses in some enterprises. Therefore, we should lay particular emphasis on strengthening enterprise management to bring about a marked improvement in enterprise deficit this year."

Adding to his comments on enterprise deficits, and elaborating on the factors causing debt chains among enterprises, Wang says: "Using the number of deficit-ridden enterprises to assess the overall condition of the deficit is not very accurate, strictly speaking. For example, according to the current method of calculating enterprise deficits, we say the deficit rate is 30 percent when 3,000 of 10,000 enterprises are in the red, regardless of the size of their assets, the number of their workers, or their output value. Since enterprises differ greatly in size, the deficit of an enterprises with 1 million yuan annual output value is obviously different from the deficit of one with 100 million yuan output value. In this sense, it is not accurate to assess the deficit situation in terms of the number of enterprises running deficits.

"Nevertheless, this is the method we have used; and we are studying ways to improve it. In terms of output value, of the 34.4 percent of enterprises running deficits at the end of last year, accounted for roughly less than 20 percent of the total output value of all state-owned enterprises. We will make a determined effort to solve the deficit problem of enterprises; though it is impossible to make all enterprises deficit-free. It is simply impossible. There will always be some enterprises running in the red. This is an objective law governing the market economy. Enterprises either grow or are eliminated.

"As far as the problem of chain debts among enterprises is concerned, there are several major factors: First, the scale of fixed asset investment was overextended, and capital was not readily available. As of the end of 1994, projects under construction throughout the country needed more than 3,000 billion yuan in investment, up 31 percent from the previous year. More than 100 billion yuan of the funds needed for the fixed asset investment in the first half of 1994 were not available. Moreover, (?initial) investments for some projects were underestimated, while some local governments failed to deliver

funds they committed themselves to. All in all, the shortage and unavailability of funds was one of the major factors. Second, products were unmarketable and piled up in warehouses. The value of overstocked goods at the end of last year increased nearly 100 billion yuan from the figure at the beginning of the year. Third, funds at the disposal of enterprises were insufficient. According to statistics, enterprises at the end of last year had less than 10 percent of the working funds that should have been at their disposal; therefore, they could not but divert other funds and use them. Furthermore, enterprises' weak sense of the market and creditability was also a major factor. Therefore, to solve this problem this year, we will urge all state-owned enterprises to cultivate an awareness of market and creditability, while also striving to constantly develop new products to keep up with the market demand. Measures will be taken to limit production, reduce stockpiles, and promote the sales of unmarketable goods. Meanwhile, we will establish a banking settlement system for the prompt settlement of funds. We believe that through the adoption and implementation of measures, the situation over chain debts will improve. As a matter of fact, the chain debt situation has improved and the margin of increase in debts has gradually declined since the fourth quarter of last year, especially since last October.

"As for losses of state-owned assets, the problem indeed exists. To solve this, we have stepped up efforts to assess the value of state-owned assets while bringing into play the role of intermediate organizations. This problem is already under our close attention."

Following this, Li Boyong is asked about unfair distribution. He says: "The Ministry of Labor, as the department in charge of overseeing the wages of enterprises nationwide, is firmly opposed to unfair distribution in society, because it tallies neither with the socialist principle of pay according to work, nor the principle of giving top priority to efficiency while taking fairness into account under the condition of a socialist market economy. The ministry has adopted measures to solve unfair distribution by exercising macroeconomic regulation and control, by establishing and perfecting the mechanism of restraints, and by strengthening management. Meanwhile, we have actively coordinated with the relevant departments in taking various measures and working concertedly to solve the problem."

After the labor minister finishes speaking, the moderator announces the end of the news conference. The video ends with a shot of reporters leaving the conference hall.

#### Guangdong Official Stresses Multiparty Cooperation

HK0903144295 Beijing ZHONGGUO XINWEN SHE  
in English 1110 GMT 9 Mar 95

[FBIS Transcribed Text] Beijing, March 9 (CNS)—The Vice Chairman of the Guangdong Committee of the Chinese People's Political Consultative Conference

(CPPCC) Mr. Xiao Yaotang, guest representative to the current session of the CPPCC, called for multi-party cooperation as well as improvement of the political consultative system in his speech at the CPPCC plenary meeting today.

Mr. Xiao suggested that efforts should be made in the following current sectors.

- A number of supplementary and steady regulations have to be worked out to smooth participation as well as consultation of government affairs. Consultation and supervision should be realized under the regulations.
- Procedures for consultation and supervision should be standardized so as to ensure proper practice on each occasion.
- Protection of political consultation, democratic supervision, establishment and operation of the consultative system should be based on a strong legal system.
- The best outcome resulting from multi-party cooperation and a renovated political consultative system should be sought. Breakthroughs are necessary. Party committees and governments at various levels should place emphasis on relevant measures to achieve this end. All democratic groups and parties should try their best to develop a pragmatic political consultative system.

#### Plans Made for Bankruptcy of Several State Firms

HK0903143795 Beijing ZHONGGUO XINWEN SHE  
in English 1157 GMT 9 Mar 95

[FBIS Transcribed Text] Beijing, March 9 (CNS)—Bankruptcy will be declared for several state-owned enterprises as part of the restructuring of enterprises this year, according to the Deputy Director of the Economic Research Centre under the State Planning Commission and Vice President of the China Industrial Economics Association, Mr. Dong Shaohua. The State Economic and Trade Commission has already drawn a plan for the move.

Mr. Dong was convinced that the major concern after bankruptcy of these enterprises will be finding alternative employment for the workers. A stand-by reserve has been prepared by banks to meet the needs of the bankruptcy plan. The fact that workers have traditionally relied on enterprises for their welfare and finance is a situation which will not be easy to change.

After attending the session of the Chinese People's Political Consultative Conference, Mr. Dong said that according to the bankruptcy law, proper arrangement should be made for workers affected in the wake of enterprise bankruptcy. As the bankruptcy practice is now carried out on a trial basis, some of the workers affected have independently looked for another job while others have turned to relevant departments for help.

A trial practice of enterprise merger and bankruptcy will be carried out in 18 cities this year, according to the Minister of the State Economic and Trade Commission, Mr. Wong Zhongyu. The State Council has issued stipulations that property possessed by enterprises declared bankrupt should be firstly used to fund and arrange jobs for workers affected, and the rest would then be for debt settlement.

By the end of last year, 34.3 percent of state-owned enterprises have been thrown in the red.

#### Hong Kong Deputies To Promote Cross-Straight Ties

OW0903170395 Beijing XINHUA in English 1526  
GMT 9 Mar 95

[FBIS Transcribed Text] Beijing, March 9 (XINHUA)—Hong Kong would be a bridge in promoting relations across the Taiwan Straits, according to members of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) from Hong Kong here today.

The CPPCC members said that they could play an active role in promoting the peaceful reunification of China due to their special positions.

They highly praised Communist Party chief Jiang Zemin's eight-point proposal made earlier this year to end hostilities and start the process of peaceful reunification.

More and more Taiwan businessmen are seeking development opportunities on the mainland via Hong Kong in recent years following the easing of tension between the two sides.

Liu Chi Keung, board director of the Flow Chart International Holdings Ltd., said that the Taiwan authorities must enhance exchanges across the Taiwan Straits if they wish to promote cross-Straits relations on a realistic basis and establish a normal business operation order.

The members pointed out that Hong Kong plays an important role in helping develop cross-Straits relations as Hong Kong is often the place where the two sides engage in contacts.

Sze Cheung Pang, board chairman of the Geyung Group (International) Co. Ltd., said that many members of the CPPCC National Committee and deputies to the Eighth National People's Congress (NPC) from Hong Kong have close relations with businessmen and political figures in Taiwan.

These people in Hong Kong will serve as a good channel for further contacts with Taiwan, they said.

#### National Committee Holds 4th Plenary Meeting

OW1003084095 Beijing XINHUA in English 0823  
GMT 10 Mar 95

[FBIS Transcribed Text] Beijing, March 10 (XINHUA)—Ten members of the National Committee of the

Chinese People's Political Consultative Conference (CPPCC) today spoke on various topics at the fourth plenary meeting of the committee's third annual session.

Li Ruihuan, chairman of the CPPCC National Committee, was present.

Le Shouguang, deputy-director of the Hunan Provincial Science and Technology Committee, proposed to enhance the development of the technological market.

He said laws and regulations concerning the technological market should be formulated; state policies on supporting and guiding the market be improved; and a development fund for the market be established.

Xie Jin, a renowned film director and chairman of the Shanghai Hengtong Film and Video Co. Ltd., said in his speech that he decided to shoot a film on "Opium War", which is expected to be on show worldwide in 1997 when China resumes the exercise of its sovereignty over Hong Kong in a bid to promote China's reform and opening up and Hong Kong's prosperity.

David S.H. Chu, chairman of the Guanlanhu Golf Club, presented his ideas on the development of physical culture and sports in the country.

On behalf of 10 CPPCC members, Li Ganliu, vice-chairman of the Central Committee of the Revolutionary Committee of the Chinese Kuomintang, made a proposal on promoting the healthy development of non-governmental schools.

Regulations governing the management of such schools should be formulated, a development fund for nongovernmental education be set up and overseas cooperation should be enhanced in establishing such schools, Li said.

Gao Jingde, a Hong Kong businessman, proposed using international capital to renovate State firms.

On behalf of all CPPCC members from trade unions, Li Rongguang, former vice-president of the All-China Federation of Trade Unions, said that earnest efforts should be made to solve problems such as inflation, unfair income distribution, poor public order, increase in the number of major accidents and corruption which the workers are most concerned with so as to protect the enthusiasm of the workers and promote the healthy development of reform and opening up.

Dai Shuhe and Ge Zhicheng made speeches on education on behalf of the central committees of the China Democratic League and the China Association for Promoting Democracy.

Two CPPCC members from Macao made proposals on promoting economic development in the transitional period in Macao.

Zhou Shaozheng, chairman of the Subcommittee for Handling Proposals of the CPPCC National Committee, made a report on his subcommittee's work. He said that

by February 25 this year, his subcommittee had handled 2,044 proposals submitted by CPPCC members since the second session of the Eighth National Committee of the CPPCC last March.

Many proposals have been adopted by the Chinese Communist Party Central Committee and the State Council, Zhou said.

**CPPCC Session Receives Nearly 2,000 Proposals**

OW1003113395 Beijing XINHUA in English 0946  
GMT 10 Mar 95

[FBIS Transcribed Text] Beijing, March 10 (XINHUA)—By 5:00 P.M. yesterday, the deadline for proposal submission, the Third Session of the Eighth National Committee of the Chinese People's Political Consultative Conference had received 1,995 proposals from 1,429 CPPCC National Committee members.

About 68.1 percent of the total number of the CPPCC National Committee members had submitted proposals to the session.

The Subcommittee for Handling Proposals has examined these proposals and placed 1,852 on file, among which 769 are about the economy, 516 about education, science, technology, culture, public health and sports, and 567 about politics, laws and united front work.

The eight non-Communist parties had submitted a total of 27 proposals.

The proposals cover today's hot topics and difficulties, such as inflation, bonded areas, railway construction, foreign-funded enterprises, anti-corruption, protection of farmers' enthusiasm and relief of farmers' burden.

During the period from the Second Session of the CPPCC National Committee of last year to the current third session, the subcommittee received 2,139 proposals.

Zhou Shaozheng, director of the Subcommittee for Handling Proposals, said that most of these proposals had been sent to government departments for handling and they had served important reference for decision-making.

Speaking at the fourth plenary meeting of the on-going CPPCC session, he said that the subcommittee received the biggest number of proposals in the past one year. These proposals involved various aspects of the country's economic construction and social development.

Zhou said that these proposals had been viewed with importance by the Central Committee of the Communist Party of China and the State Council and many were adopted.

Zhou said that his subcommittee will improve its efforts in handling such proposals this year.

The submission of proposals is one of the main methods for the CPPCC national committee members to participate in and discuss political and government affairs.

**Delegate: Foreign Capital Can Help State Firms**

OW1003113495 Beijing XINHUA in English 0913  
GMT 10 Mar 95

[FBIS Transcribed Text] Beijing, March 10 (XINHUA)—Foreign capital may prove to be an effective help to China's State-owned enterprises, and China should take best use of it, said a Hong Kong member of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC), which is now in its annual session.

Gao Jingde, a Hong Kong businessman, said that to introduce international capital into State-owned enterprises may be effective in lifting them out of their current difficulty.

Many of China's State-owned ventures are plunged into difficulty because of a lack of sufficient flow of capital and money for technical renovation and of a heavy burden of debts.

International capital would serve as flow funds for the State companies, help expand their production scale and upgrade their technical level, he said.

In the course of using international funds, State companies need not to provide supporting funds because they can establish joint ventures with land, workshops, equipment and invisible assets as their share of investment, he said.

"After the inflow of international funds," he said, "the State-owned firms would be able to continue production while their assets and employees would remain untouched."

He suggested the government establish a special organ to take charge of the inflow and select a number of fine large and medium-sized State-owned enterprises for international cooperation.

In addition, he said that the State-owned enterprises should be divided into three groups: those that are still making profits, those that are neither making profit nor loss and those that are to be closed down. Transformation of them would then be carried out phase by phase.

He said that China should make good headway in the international market through establishing more enterprise groups. These group companies will be able to invest directly in foreign countries.

**Private Entrepreneur Offers Remedy for State Firms**

OW1003113595 Beijing XINHUA in English 0923  
GMT 10 Mar 95

[FBIS Transcribed Text] Beijing, March 10 (XINHUA)—China's state-owned enterprises can use management expertise of private enterprises and even merge themselves into successful private companies to improve their performance.

Liu Yonghao, a noted entrepreneur from a big private company in southwest China's Sichuan Province, introduced his experiences at a panel meeting of the ongoing session of the Chinese People's Political Consultative Conference (CPPCC).

Improving the operation of state-owned enterprises has been listed as one of the priority tasks for the country this year, according to the government work report delivered by Premier Li Peng.

Liu, president of the Hope Group of Sichuan, said that state-owned enterprises, though some are operating at a loss, have their special advantages, such as in their assets accumulated for dozens of years, professional workers and support of the government and trust of the clients.

Private enterprises, he said, are more aware of market changes, more capable of turning out market-oriented products and more aggressive.

Therefore, he said, it will be complementary to combine the advantages of both kinds of businesses.

Two years ago, Liu's company began to cooperate with some debt ridden state enterprises. The Hope Group entered its funds, prestige and technology as its shares and the state-owned partners invested with their equipment and professional employees.

Such a combination has produced encouraging results, Liu said. Companies in Wuhan, Nanchang, Shanghai and Yangzhou all eliminated economic losses and became profitable through such cooperation.

Liu, a CPPCC National Committee Member, is also the Vice-Chairman of the All-China Federation of Industry and Commerce. Thirteen years ago, he quit his job in a government institute and set up a private technical company with only 1,000 yuan.

Now, his company has grown into a conglomerate with a comprehensive business scope ranging from the production of foodstuffs to real estate, building and electronic industries. The company realized a total output value of 1.7 billion yuan last year, making itself the largest private manufacturer in the country.

However, Liu said, "Our company can never develop so fast without relying on the solid foundation of state-owned enterprises."

He said privately owned companies have full autonomy in employment but little burden of running welfare facilities like kindergartens, schools or hospitals. In contrast, it is not easy for a state-owned company to employ a competent person or fire a disqualifed staff member, he noted.

Liu said that the progress of state enterprises also requires managers with a high sense of responsibility. They should be trained to meet the needs of the fast changing market.

#### Correction to Daily Predicts Few Personnel Changes

HK0803021095

The following correction pertains to an item headlined "Daily Predicts Few Personnel Changes 'To Avoid Shocks'" published in the 7 March China DAILY REPORT on page nine: Page nine, column one, please make sourceline read: Hong Kong MING PAO in Chinese 7 Mar 95 p B1 (correcting name of publication).

#### Political & Social

##### Report on Leaders' Activities 3-9 Mar

OW1003015495

[FBIS Editorial Report] PRC media monitored from 3 to 9 March carried the following reports on PRC Central leadership activities. The source is noted in parentheses after each report.

**Li Tieying Inspects Preparations for Table Tennis Championship**—State Councilor Li Tieying, member of the CPC Central Committee [CPCCC] Political Bureau and honorary vice chairman of the 43d World Table Tennis Championship Organizing Committee, inspected the Tianjin Stadium, Tianjin satellite ground station, and radio and television center, from 1 to 2 March. He said: Tianjin has shown high-level, high-quality, and high-speed preparations for the World Table Tennis Championship, displaying the municipality's style and characteristics in the course of reform and opening up. It is Tianjin's honor and pride to host the large-scale competition, 34 years after Beijing successfully held the 26th World Championship. The party Central Committee, State Council, and people have always shown their concern and support for Tianjin hosting the championship. Li Tieying wished the championship success on behalf of Li Ruihuan, member of the Standing Committee of the CPCCC Political Bureau, chairman of the Chinese People's Political Consultative Conference National Committee, and honorary chairman of the 43d World Table Tennis Championship Organizing Committee. (Beijing Central Television Program One Network in Mandarin 1100 GMT 3 Mar 95)

**Li Lanqing Inscribes for Shanghai Fair**—The 1995 East China Export Commodity Fair opened in Shanghai on 4 March. Li Lanqing, vice premier and member of the CPCCC Political Bureau, wrote an inscription for the fair. The inscription reads: Bring Into Play Shanghai's Edge and Make Greater Contributions To Promoting East China's Foreign Economic and Trade Development. Shanghai Mayor Xu Kuangdi delivered an opening speech. (Shanghai People's Radio Network in Mandarin 2300 GMT 5 Mar 95)

**Ding Guangen Greets Woman Writer**—The 95-year-old writer Bing Xin received a state-level medal presented by the Lebanese Government on 7 March. Ding Guangen,

member of the CPCCC Political Bureau, CPCCC Secretariat, and head of the CPCCC Propaganda Department, sent a basket of flowers to congratulate her. (Beijing XINHUA Domestic Service in Chinese 1502 GMT 7 Mar 95)

#### Correction to Paper on Multinationality

HK0903021295

The following correction pertains to an item headlined "Paper on Multinationality of State, Patriotism" published in the 8 March DAILY REPORT on pages 35-37:

Page 35, column one, paragraph four, please make subslug read: ...[By Ismail Amat (0674 7456 5030 5337 6314 2251): "Multinationality State and Patriotism"]... (deleting extraneous name).

#### Science & Technology

#### Power-Saving Electrical Machinery Starter Developed

OW1003080495 Beijing XINHUA in English 0733  
GMT 10 Mar 95

[FBIS Transcribed Text] Beijing, March 10 (XINHUA)—Chinese scientists have developed a power-saving digitally-controlled electrical machinery starter, which combines electronics, integrated circuits, and a micro-computer.

Scientists from the Hubei Xiaochi Xinshiji Energy-Saving Digital Control Electric Appliance Company agreed that the high-tech product, made with technology provided by the Intel Company of the United States and Siemens of Germany, is reliable, functions well, and ensures that electrical machinery will work under optimum conditions, while saving energy.

Estimates indicate that the starter can reduce costs by 70.9 percent and save 30 percent in power consumption.

In addition, the device automatically protects the machine when it confronts phase changes, circuit overload, short-circuiting, or a voltage imbalance in three-phase circuits.

The starter won a gold prize at a national meeting for energy-saving electronics product applications, and has been approved by the Ministry of Electronics Industry.

#### Technology for Extracting Fuel From Plastic Developed

OW0803112695 Beijing XINHUA in English 0756  
GMT 8 Mar 95

[FBIS Transcribed Text] Xian, March 8 (XINHUA)—Two Chinese researchers have successfully extracted gasoline, diesel oil, and liquefied natural gas from discarded plastic.

The discovery was made, after several years' effort, by Jiang Hao, associate professor in the Department of Chemical Industry of Xian Petroleum Engineering, and Li Baokui, a teacher in the Department of Machinery of the same institute, in northwest China's Shaanxi Province.

Two years ago, the two researchers developed the technology and equipment necessary for extracting gasoline, diesel oil, and liquefied natural gas from discarded plastic, and it has since been applied to production at the Xinglong Petrochemical Factory and has had good results.

According to officials at the factory, the fuel oils produced with the new technology, which has just passed provincial inspection, are low cost and high quality, so they do well on the market.

The factory is now capable of handling 2,000 tons of plastic waste and is able to extract 1,200 to 1,500 tons of fuel oils from it per year, resulting in 1.5 million yuan in profit and taxes.

Experts say that further application of the new technology will be of great significance in solving pollution problems caused by discarded plastic and in opening up new avenues for investors.

**General****Officials Discuss Social Security System Reform**  
*OW0903134095 Beijing XINHUA in English 1009  
GMT 9 Mar 95*

[FBIS Transcribed Text] Wuhan, March 8 [date as received] (XINHUA)—In the capital of central China's Hubei Province recently, a training class for over 300 officials from across the country was held as a means of improving the national social security reforms.

The class was organized as China takes steps to restructure large and medium-sized state-owned firms and to set up a modern economic system, which will allow for a variety of things from bankruptcy and the combining of commercial entities to the free flow of capital and labor.

Officials have pointed out that a healthy social security system, especially the areas of pensions and unemployment relief, will not only boost economic growth but stabilize social order as the market-oriented economy takes root in China.

Experts with the State Commission for Restructuring the Economy told XINHUA that a unified social security system will be introduced and efforts will be made to supervise it well.

They said that both government and the businesses, as well as individuals, will together shoulder the cost, and systemic management methods will be adopted to improve the quality of the social security system.

Laws will also be passed to accompany the reforms, the officials said, and they suggested that regulations concerning pensions for urban retirees, unemployment, job-related injuries, and medical benefits be drafted before a social security law is unveiled.

**Regulations Place Controls on Private Sector**

*HK1003051795 Hong Kong SOUTH CHINA MORNING POST in English 10 Mar 95 p 11*

[By WillY Wo-lap Lam]

[FBIS Transcribed Text] The central Government is putting more restrictions on the fast-growing private sector as the focus of economic policy shifts from market reform to preserving stability. The new regulations were formulated at a recent national conference on the private economy, which was not reported by the mainland media.

Private entrepreneurs among deputies to the National People's Congress (NPC) and the Chinese People's Political Consultative Conference (CPPCC) have lobbied very hard for laws to ensure equal competition in the market place.

According to cadres who attended the conference, there were in late 1994 375,000 private enterprises and 20.15

million household companies. Apart from having contributed a total of 120 billion yuan (HK\$110 billion) in taxes, the private sector has provided employment for 23 million peasants and 17 million urban residents.

State Council ministers, speaking at the conference, pointed out that private enterprises had played a useful role as the "supplement" to the state sector. They said such enterprises should be encouraged. However, the major conclusion was that Beijing should "strengthen political leadership" over the household and private companies, meaning they had to abide by stricter rules.

The conference suggested a package of regulations summarised as the "three syntheses and two improvements."

Firstly, non-government units must develop in step with on-going efforts by state enterprises to reform management structures.

Secondly, the development of the private sector must dovetail with Beijing's policy of providing employment for superfluous labourers in the countryside and raising the income of rural areas.

Finally, private entrepreneurs were told to "synthesise" their development plans with the Government's campaign against inflation.

The "improvements" refer to raising the qualifications of the entrepreneurs, their management efficiency and the quality of products.

Private-sector lobbyists raised objections to the new guidelines.

The central Government has recently asked private firms, including village and township enterprises, to invest more in hilly, remote, and impoverished areas. Moreover, the brunt of the Government's "anti-profliteering campaign" has fallen on private service units such as retail outlets, which have been criticised by the media as rank speculators and profiteers.

At the NPC and CPPCC, deputies who represent private businesses are lobbying for laws that would guarantee "equal opportunity" in the market place. At the same time, they have tried to ingratiate themselves with the authorities by making hefty donations to welfare schemes.

At last year's CPPCC session, members who were private businessmen set up a help-the-poor programme. This has attracted donations of 370 million yuan from nearly 3,000 private entrepreneurs. In speeches since Sunday, senior cadres including premier Li Peng have vowed to strengthen the "leadership role" of state enterprises.

**Statistics Bureau Says Factories Gearing Up Production**

*HK1003100295 Beijing CHINA DAILY in English 10 Mar 95 p 1*

[By Wu Yunhe: "Plants Gear Up for Market"]

[FBIS Transcribed Text] Most Chinese factories are gearing up their production this year to cope with a mounting demand for consumer goods on the domestic market, the State Statistics Bureau revealed.

In its monthly report released yesterday, the bureau indicated the country's industrial enterprises' incremental output value reached 246.2 billion yuan (\$29.3 billion) during the first two months of this year.

The figure represented an increase of 13.5 percent over the same period last year.

In February alone, the country's industrial output value chalked up a year-on-year increase of 15.5 percent to reach 122.2 billion yuan (\$14.5 billion).

This year, during and after the Spring Festival holidays, Chinese consumers, prompted by last year's inflationary pressure, showed greater interest in buying durable goods rather than keeping the money in their pockets, observers noted.

Chinese consumers' rising demand for durable goods, especially for air conditioners, refrigerators, textiles, and food, has helped stimulate the continuous growth in production and sales of industrial goods.

During the first two months of this year, 93.76 percent of the products manufactured by the country's factories were sold at markets, an increase of 3.7 percent over the same period of the previous year.

Light industry's production growth outstripped the pace of heavy industry through the January-February period, according to bureau officials.

Meanwhile, the heavy industry chalked up a yearly growth of 9.5 percent to reach 141.4 billion yuan (\$16.8 billion) during the first two months of this year.

Bureau officials said the growth in the production of capital goods so far has remained lackluster since the government has not hinted that it will ease control of fixed asset investment this year.

During the first two months of 1995 China produced an estimated 160 million tons worth of energy, measured in terms of standard coal equivalent. That's up 7.9 percent over the same period last year.

Raw coal production amounted to 166 million tons during the January-February period. That's up 10.8 percent over the same period a year ago.

Prompted by the central government's primary attention on boosting agricultural production, farm-related industrial products's output has grown more rapidly since early this year.

#### Statistics Show Feb Industrial Operations 'Normal'

HK1003030495 Beijing ZHONGGUO XINWEN SHE  
in English 1248 GMT 9 Mar 95

[FBIS Transcribed Text] Beijing, March 9 (CNS)—According to the latest statistics conducted by the State

Statistical Bureau, the accrued industrial value for China in February showed a 15.5 percent growth compared to February last year, while selling rate of industrial products increased by 3.7 percent, indicating a healthy state of affairs for China's industrial economy.

The state-owned industrial economy rose again in February. The accrued industrial value in the state-owned sector from January to February rose by 6.6 percent over the same period last year. The accrued industrial value in collectively-owned and township industrial sectors as well as in other industrial sectors increased by 15 to 22 percent, maintaining a high-speed growth.

January and February saw a soaring market, plus a sound increase in rural and urban residents' income, there had been a great market demand. Affected by this, production growth in light industry showed a 9.4 percentage points higher than that in heavy industry with a fast growth in durable goods production.

Energy and raw materials production also increased steadily. There has been no great change in supply and demand in energy product and production means markets since this year. On the other hand, production of steel products dropped by 8.5 percent over the same period of last year due to excessive stocks.

Production for agricultural production means showed better performance. Chemical fertilizer output from January to February increased by 14 percent than the corresponding period of last year and pesticide output by 44 percent.

The State Statistical Bureau held that the overall industrial economic operation was quite normal in the first two months of this year. However, problems like fund shortage and loss-making state-owned enterprises remained. In some areas, the state-owned industrial sector saw a low production growth, exerting a negative influence on the whole country.

#### Entrepreneurial Group Vows To Assist Poor Areas

HK1003100795 Beijing CHINA DAILY in English 10 Mar 95 p 2

[By Sun Shangwu: "Investment Plan To Help Combat Poverty"]

[FBIS Transcribed Text] A group of entrepreneurs has vowed to help people living in the vast poor areas shake off destitution by setting up investment projects there.

The ambitious plan, known as the Glorious Project, will establish 700 investment items, develop 70 natural resources, and train 7,000 locals by the end of this century.

"This practice is different from the government's action," said Han Wei, member of the Chinese People's Political Consultative Conference [CPPCC] and head of a private industrial group with total assets of 300 million yuan (\$36 million).

Han said he planned to invest 100 million yuan (\$12 million) in the next two years to help some areas develop poultry husbandry.

Since the project was initiated in April by 10 entrepreneurs and members of the All-China Federation of Industry and Commerce, more than 6,000 business people have shown interest.

A total of 2,690 have taken action, setting up 336 investment projects with a total investment of 367 million yuan (\$44 million).

CPPCC member Liu Yonghao, who is also vice chairman of the All-China Federation of Industry and Commerce and boss of the Sichuan-based Hope Group, has invested 15 million yuan (\$1.78 million) in the Liangshan region in Sichuan Province to set up an animal feed processing factory with an annual production of 100,000 tons.

The farm is expected to help 200,000 get jobs.

Zhang Zhiting, general manager of the Guizhou-based Shenqi Pharmaceutical Co, set up a 27-hectare herb growing base and a goat-raising base for minorities in the areas inhabited by the Yao nationality in Guizhou.

The two bases will increase the local income by 1.5 million yuan (\$180,000) each year and help 2,600 out of poverty.

#### **Beijing-Kowloon Railway To Be Completed by Year-End**

*HK1003055295 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 10 Mar 95 p 22*

[By Rowena Tsang]

[FBIS Transcribed Text] The new Beijing-Kowloon railway will be completed by the end of the year and operations will begin early next year, according to a senior official of the Ministry of Railways.

Vice-Minister Guo Lin said yesterday that while the new Beijing-Kowloon railway was designed to carry cargo initially, the existing lines from Beijing to Hong Kong would mainly transport passengers. He added that the new railway would eventually also carry passengers.

Mr Guo said Beijing had allocated a third of the country's construction fund, amounting to more than 10 billion yuan (about HK\$9.17 billion), for building the railway this year. He said the government would invest more than the initial estimate of 2.5 billion yuan in the West Point station in Beijing, the last station on the new line. He said the existing railway network from the north to the south barely met 40 percent of the current transport demand and therefore it was necessary to expedite the construction of the new railway. As only covered 40 percent of the total demand for railway services, it was

necessary to speed up the construction of the new railway line. [sentence as published]

Work on the railway is progressing faster than the estimated pace with 5,326.4 km of track being laid last year and 4,313.6 km laid in 1993. The target was 3,200 km, a year.

Mr Guo expected the Guangzhou-Shenzhen Railway to be listed on the Hong Kong stock exchange this year. It will be in the second batch of state-owned enterprises designated for overseas listing. But he declined to say how much would be raised.

#### **Consumer Association Says Complaints Increasing**

*HK1003030095 Beijing ZHONGGUO XINWEN SHE in English 1248 GMT 9 Mar 95*

[FBIS Transcribed Text] Beijing, March 9 (CNS)—According to China's Consumer Association, complaints by consumers has increased by over ten percent during the first year of the implementation of the protection law for consumers' rights and interests. These complaints can be summed up in ten points.

First, complaints were centred on too high and big a price rise. Some consumers found it difficult to afford some main nonstaple and daily necessities because of their soaring prices. Second, consumers were dissatisfied with quality of grains and edible oil. Third, some sellers were complained for their dishonest business practice in which they cheated customers by giving short measure. Fourth, practices harmful to peasants were on the rise. Fifth, customers were seriously injured by explosion of beer bottles. Incomplete statistics from 17 local consumers' associations revealed that there were 300 cases of such kind in 1994. Sixth, the beauty service sector had to be urgently corrected since various kinds of incidents in this sector happened frequently in medium and large-sized cities. Seventh, safety of amusement venues were not satisfactory. A safety check was carried out on some 151 types of game machines for pleasure in 45 parks of Shanghai and over 50 percent of them failed to pass the inspection. Eighth, consumers complained to have been cheated by counterfeit commodities of renowned foreign brands. Ninth, disputes of housing transaction increased. Tenth, a variety of gimmicks were seen for sale of commodities and some of them were deceptive.

#### **Finance & Banking**

#### **Regulations Issued on Improving State Property**

*OW1003020195 Beijing XINHUA in English 0139 GMT 10 Mar 95*

[FBIS Transcribed Text] Beijing, March 10 (XINHUA)—China issued a detailed set of regulations on the management of state property in administrative government departments and institutions Wednesday.

The regulations, the first of its kind in China, were issued by the Ministry of Finance and the State Administration for State Property (SASP).

According to the regulations, state properties in administrative government departments and institutions refer to those which are owned or used by such departments and which belong to the state.

An ASAP official said that the regulations will be of great significance in building up governments at all levels and promoting the development of China's science, culture, education, and the public health work.

Statistics showed that by the end of 1993 state properties in administrative government departments and institutions were worth 892.4 billion yuan (about 106 billion U.S. dollars), about 25.5 percent of the total of the country.

Official sources have said that loss of state property is still rampant in some administrative government departments and institutions.

The central government has vowed to improve its management of state property in all organizations in an effort to make certain that property will not be lost during the process of China's pursuing a market economy.

### Securities Official Says Third Exchange Not Approved

*HK1003021095 Beijing ZHONGGUO XINWEN SHE in English 1423 GMT 9 Mar 95*

[FBIS Transcribed Text] Shanghai, March 9 (CNS)- Liu Hongru, deputy-director of the State Council Securities Policy Committee and chairman of China's Securities Supervision and Management Commission, said recently that a third securities exchange of the mainland would not be approved this year.

He said that such a decision was mainly the result of the country's macroeconomic situation. The country this year will put emphasis on curbing inflation and controlling prices. It will also restrict growth in consumer funds and reduce size of fixed assets investment, paying more attention to enhance quality of economy and cost-effectiveness.

Liu stressed that listed companies and those planning to be listed in securities exchange should focus on regulating their securities trading. China will keep the current two securities exchanges with no major changes this year.

### CPPCC Official Urges Controls on Treasury Bond Market

*HK1003030295 Beijing ZHONGGUO XINWEN SHE in English 0838 GMT 9 Mar 95*

[FBIS Transcribed Text] Beijing, March 9 (CNS)—Zhao Haikuan, member of the Chinese People's Political Consultative Conference (CPPCC) and a famous financial

expert, said today that the present fluctuations in the treasury bond market will not pose a great threat to the market, however, their adverse effects have warned relevant departments to tighten their management over this market.

In view of the serious speculations of treasury bonds in the mainland market, Zhao believed that there are indeed problems in the treasury bond market including the weak management over stock exchanges. He suggested that China should take a prudent attitude for the development of its futures market.

Zhao said that a large quantity of treasury bonds will be issued this year. The interest rate of treasury bonds is higher than that of bank deposits at present and this trend will continue. This will be favourable for the promotion of treasury bonds. Zhao argued that although there is a difference between the two kinds of interest rates, people will not withdraw more bank savings deposits to buy treasury bonds. Last year, the issuance of treasury bonds of RMB 100 billion [renminbi] did not affect bank deposits.

Zhao emphasized that the futures markets in the Mainland should be regulated; the number of setups for futures trading should not be too many.

### Foreign Trade & Investment

#### Senior Banker Unworried by U.S. Dollar's Plight

*HK1003100895 Beijing CHINA DAILY in English 10 Mar 95 p 5*

[By Liu Weiling: "Dollar Drop Won't Hurt China Debt Repayment"]

[FBIS Transcribed Text] The recent sharp decline of the US dollar highlighted the importance for Chinese enterprises and foreign debt-management departments to avoid risks associated with the exchange rate, said a senior financial expert.

"Special attention must be paid to the rate risks when raising funds overseas and conducting foreign trade," said Tao Liming, deputy director of the Bank of China's International Finance Research Institute.

However, the exchange rate fluctuation won't seriously hurt China's ability to repay its foreign debt, Tao said.

The dollar touched a global low on Wednesday as it fell to 88.75 yen on the Tokyo Stock Exchange, its lowest value against the yen since the modern exchange rate system was established in the late 1940s.

"China is mature enough to handle such foreign exchange rate fluctuations," Tao said.

China has diversified its debt borrowing so it is not so dependent on the Japanese market.

Financial institutions have issued bonds in Frankfurt, London, Singapore, New York, and Hong Kong in addition to Tokyo.

Meanwhile, ways to avoid rate risk have been adopted, Tao said. They include trading currency futures, engaging in spot trading of foreign exchange, and trading currency options as hedges against abrupt rate fluctuations.

The same tools have been used by many Chinese firms to neutralize foreign exchange risks.

Also, projects that use yen-denominated loans are asked to earn yen as their income to repay the loans.

Tao said China began to tighten management on foreign debts after the yen appreciated from 260 yen per dollar to 130 yen between 1984 and 1987.

The appreciation of the yen brought huge losses to China because it was mainly borrowing foreign debt in yen at that time. Therefore, the funds required to repay the debt rose in real terms, even though the debt itself did not grow.

The losses spurred the government to set up a special group to study changes in foreign exchange rates.

"China has achieved rapid progress in improving its management of foreign debt during the past decade," Tao said.

Enterprises in the country are getting used to fluctuation of foreign exchanges since the country unified its dual-rate system of renminbi yuan against the U.S. dollar last year.

#### Joint Venture With U.S. Firm To Develop Power Projects

OW0903231895 Beijing XINHUA in English 2236  
GMT 9 Mar 95

[FBIS Transcribed Text] New York, March 9 (XINHUA)—A U.S. Company focusing on renewable power generation announced today it has entered into an agreement with a Chinese partner to develop power projects in China.

The New World Power Corporation based in Lime Rock, Connecticut, said it will work with its joint venture partner, China Chang Jiang Energy Corporation, to develop five contiguous hydropower sites, aggregating 246 megawatts of generating capacity, on the Upper Min River in the Fujian Province of China.

Initially, New World Power is acquiring a 40 percent ownership interest in Fujian Nan Ping Hydro Power Company ("Fujian I"), a 39 megawatt project now under construction and scheduled to come on line by year-end. The Fujian hydroelectric project is one of China's first Sino-foreign joint venture projects to receive its power contracts, permits, and financing, and get underway. The project is expected to sell 183 million kilowatt hours of

electricity a year, generating annual revenues of approximately 10.8 million U.S. dollars, according to terms of the 30-year power agreement.

The joint venture partners have agreed to pursue a number of other project development and manufacturing undertakings in China and the Pacific Rim markets, including the exploitation of wind power resource.

The joint venture partners have also agreed to an annual series of visits between Chinese and American officials to educate leaders on the advantages of renewable resources as solutions to electric power needs.

A series of academic exchanges will also take place between universities in the United States, including Georgetown University, where New World Power is sponsoring a course on renewable energy applications, and universities in China selected by the Chinese side.

#### Official Discusses Automobile Exports

OW1003092995 Beijing XINHUA in English 0833  
GMT 10 Mar 95

[FBIS Transcribed Text] Changchun, March 10 (XINHUA)—China exported 400 cars to Southeast Asia via Dalian Port in Liaoning Province since the beginning of this year, indicating that, "China known as importer of cars is able to produce and export all types of motor vehicles and parts," according to an official of the Ministry of Machine-Building Industry.

Of the cars, 100 were Audis produced by the China No. 1 Automobile Group, and 300 were Jetta from the FAW-Volkswagen Automotive Company Ltd. Both companies are in Jilin Province, in northeast China.

The two types of cars were manufactured with German technology, and experts agreed that China's import of advanced foreign technology will greatly help it upgrade its production capacity and technology of the automobile industry.

China produced 1.33 million motor vehicles last year, with a number of them having been accepted on the international market.

According to an analysis by the ministry based on a statistical report of the General Administration of Customs, China exported 500 million U.S. dollars worth of automobiles and products last year, an increase of more than 20 percent over the previous year.

China began to squeeze into the international market with the sales of its medium-sized trucks by the China No. 1 Automobile Group and the Dongfeng Automobile Company in Hubei Province, which have become the country's main driving force behind the production of export-oriented motor vehicle products, through years of technical innovation.

Meanwhile, China has set up a number of production bases to produce automobile parts for export. Included

are the Wheel Plant, Casting Plant and Radiator Plant under the China No. 1 Automobile Group.

In 1993, the China No. 1 Automobile Group began to cooperate with Tanzania in assembling 500 Jiefang (Liberation) brand trucks, and the figure went up to more than 700 last year. The trucks were sold well not only in Tanzania but also in its neighboring countries.

Following suit, the Jinan Automobile Plant is cooperating with the African country in producing Huanghe (Yellow River) brand trucks. At present, many countries would like to cooperation with China in this field.

To expand their export business, a number of major Chinese automobile manufacturers have set up imports and exports companies empowered to export their own products.

Zhu Yaoming, an official of the Import and Export Company under the China No. 1 Automobile Group, attributed the rise in China's exports of automobile products to the country's correct strategic objective.

The group first targeted at the Southeast Asian market, and gradually opened markets in the Middle East and Africa. With the policy, the group exported about 2,000 automobiles last year, and the figure will rise to 1,000 in the first three months of this year.

The new policy on the automobile industry has encouraged enterprises to strive to expand exports and join in the international competition, to set up joint ventures and cooperative enterprises, and even to build Chinese-funded plants and after-sales service centers abroad.

However, experts agreed, China's export of automobile products is very small in comparison with its import of 4.7 billion U.S. dollars worth motor vehicle products.

According to the experts, China's automobile export is still at the starting stage and still has a long way to go in exporting large numbers of automobile goods.

### Beijing Invites Investors To Rebuild Dangerous Houses

OW0903134895 Beijing XINHUA in English 1153  
GMT 9 Mar 95

[FBIS Transcribed Text] Beijing, March 9 (XINHUA)—The nation's capital will welcome overseas investors to join in the municipality's reconstruction scheme for dangerous and old houses, according to local officials.

Information from a recent municipal working meeting on rebuilding dangerous and old houses made it known that foreign investors will enjoy the same preferential policies as local companies in the same business.

According to the meeting, in the next several years, Beijing will undertake the rebuilding of 4 to 4.5 million sq.m. of dangerous and old houses and finish construction of one million sq.m. of new flats a year.

With its 3,000-year history, Beijing has 10 million sq.m. of dangerous and old residential quarters in its old city proper, accounting for one-third of its total.

The city has made remarkable progress since 1990, when it adopted a plan for speeding up the upgrading of old houses, and thus far has invested six billion yuan in refurbishing dangerous and old houses in 85 places.

Twenty-one residential quarters with a total floor space of 3.1 million sq.m. have been built, but the city still has five million sq.m. of dangerous and old houses waiting to be rebuilt, involving the removal of 120,000 to 150,000 households. The investment for reconstruction is set at around 28 billion yuan.

In order to greatly improve the living conditions of the urbanites by the turn of the century, the municipal government has decided to invite overseas investors to take part in the project, local officials said.

### Foreign Investment Boosts Fujian's Service Industry

OW0903134195 Beijing XINHUA in English 1019  
GMT 9 Mar 95

[FBIS Transcribed Text] Fuzhou, March 9 (XINHUA)—Over 40 percent of overseas investment in southeast China's Fujian Province was involved in the service industry by the end of 1994, according to official sources.

Some 11.95 billion yuan was used to help develop such fields as food, communications, transportation, finance, insurance, education, culture, and real estate, as well as ports, highways, airports, and projects to supply water and electricity.

In 1992 alone, 423 businesses in the service industry benefitted from overseas funds, creating nearly 20,000 jobs and raising fixed assets to 1.18 billion yuan, according to official figures.

Fujian has passed policies to improve the investment environment and broaden the areas allowing foreign investment. Most joint ventures in the service industry are getting good economic returns.

Foreign funds not only provide capital to fuel the development of the service industry but restructure the province's industrial framework.

### Jilin Governor Meets DPRK Trade Promotion Delegation

SK1003020795 Changchun JILIN RIBAO in Chinese  
18 Feb 95 p 1

[FBIS Translated Text] Governor Gao Yan and Quan Zhezhu, vice governor of the province, received Cho Won-myong, chairman of the DPRK International Trade Promotion Committee, and his delegation, in the Nanhu Guest House on the evening of 17 February. Both hosts and guests held cordial and friendly talks.

Gao Yan stated: We were very happy to greet the honored Korean guests in the golden season of early spring. He extended enthusiastic welcome to the visit paid by the Korean guests on behalf of the provincial people's government and 25 million people across the province. He stated: The people of the two countries have a tradition of friendship. Over the past few years, the province has continuously broadened the contacts with the DPRK and the bilateral relations in the economy and trade have achieved great development. We felt unparalleled happiness about the achievements scored by the DPRK in various fields. In viewing his recent visit to the DPRK, Gao Yan stated: We expressed heartfelt thanks for the enthusiastic reception given by Kim Il-song, the great leader of the Korean people, and Comrade Kim Chong-il during our visits to the DPRK.

Gao Yan introduced the province's situation in industry, agriculture, science and technology, education, and culture to the guests. He expressed satisfaction at the economic and trade agreements made by the delegation with the province during its visits in Jilin. Gao Yan expressed full confidence in the province's cooperation with its neighboring countries and particularly with the countries in northeast Asia. He wished that the contacts between Jilin and the countries in northeast Asia, particularly the DPRK, will achieve greater development.

Cho Won-myong, head of the Korean trade promotion delegation, extended thanks for the reception and the situation introduction given by Governor Gao Yan. He said that he will exert utmost efforts to make contributions to achieving development in various fields between China and DPRK and particularly between DPRK and Jilin.

Liang Jichang, director of the provincial foreign affairs office, Yu Guo, director of the provincial foreign trade department, and others, attended the reception.

After the reception, both sides signed an agreement on the development of economic and trade cooperation between Jilin and the DPRK.

#### Delegation Visits Heilongjiang

SK1003020895 Harbin HEILONGJIANG RIBAO in Chinese 23 Feb 95 p 1

[FBIS Translated Text] Ma Guoliang, deputy secretary of the provincial party committee and vice governor of the province, received in the Huayuancun Guest House of Harbin the delegation of the International Trade Promotion Committee of DPRK on the evening of 22 February.

On behalf of the provincial people's government, Ma Guoliang expressed enthusiastic welcome to the visit paid by the Korean guests led by Cho Won-myong, chairman of the DPRK International Trade Promotion Committee. He stated: We very much treasure the Sino-Korea friendship cemented through blood and established by the elderly revolutionaries of Mao Zedong,

Zhou Enlai, and Kim Il-song. This friendship has been embodied not only in the political field but also in the facts of having steadily broadened the economic and trade exchanges and the economic and technical cooperation. He believed that the visit paid by the delegation will play an active role in developing trade exchanges between Heilongjiang and DPRK and will lay a solid foundation for achieving greater development in the future. He briefly informed the Korean guests of the province's situation in economic development and wished the Korean people to continuously score greater achievements under the leadership of Kim Chong-il.

Cho Won-myong extended thanks for the enthusiastic hospitality given by the province to them. He also described the Korean domestic situation in politics and the economy and highly appraised the important role played by the Heilongjiang Provincial Corporation of Nationalities Development in promoting the economic and trade cooperation between the province and DPRK. He also urged the Korean guests to enhance their contacts and exchanges with the province and to continuously broaden bilateral cooperative relations in economy and trade.

#### Jilin Holds Foreign Trade Transportation Conference

SK1003083895 Changchun JILIN RIBAO in Chinese 18 Feb p 1

[By Li Jingbo (2621 2529 3134) and reporter Zhang Lijun (1728 0500 6511): "Being a Brave Pioneer in Opening Up the Border To Make the Province Directly Accessible to the Sea"]

[FBIS Translated Text] At the provincial conference on foreign trade transportation work held on 16 February, Vice Governor Quan Zhezhu pointed out: Foreign trade transportation work should take good aim at major directions and be a brave pioneer in opening up the border to make the province directly accessible to the sea. Attending the conference were responsible comrades of departments concerned from the provincial-level organs and various cities and prefectures. Also attending and addressing the conference were Wu Bingze, chairman of the China National Foreign Trade Transportation Corporation, and Yang Fan, deputy director of the foreign trade transportation department under the Ministry of Foreign Trade and Economic Cooperation.

The province's foreign trade transportation work has witnessed remarkable results in various aspects over the past few years. In particular, the strategy of building a developed border coastal province, that was set forth and implemented by the provincial party committee and the provincial government, has further expedited the development of foreign trade transportation service and further strengthened the sea, land, and air transportation capacities. The province has put an end to the situation of having no sea transportation service after initiating the Changbaishan Sea Transportation Corporation that

possesses 21 large vessels with 290,000 deadweight tonnage in cooperation with the ROK by forming joint ventures. The province has also improved the overall distribution of agencies after newly establishing agencies and branches in Yingkou, Hunchun, Jian, Daan, Jilin, Yanbian, and Manzhouli, in addition to the already established Dalian agency. However, the ever-changing situation in foreign trade and the all-round opening of foreign trade transportation market by the state have also imposed challenges on foreign trade transportation work.

After analyzing the new cases and new problems facing foreign trade transportation work, the conference pointed out: Building a developed border coastal province should be conducted under the precondition of opening up the border to make the province directly accessible to the sea. In opening up the border to make the province directly accessible to the sea, we must first build a developed communications and transportation network. At present, we should give top priority to building the international land-and-sea coordinated transport line between Hunchun and ROK's Sokcho Port. In building this project, the Jilin Group Corporation under the China National Foreign Trade Transportation Corporation, and the Hunchun City Sea Transportation Corporation should be a brave pioneer in opening up the border by keeping overall interest in mind.

The conference stressed: Opening up the border to make the province directly accessible to the sea is an overall task of the whole province, and foreign trade transportation work is not a matter regarding foreign trade transportation enterprises alone. All localities, all departments, and all related enterprises should be concerned with and give support to foreign trade transportation work in consideration to the overall interest. Foreign trade transportation enterprises themselves should also emancipate the mind, change ideas, improve operation style, and participate in market competition with a completely new attitude.

### Agriculture

**State Revises Upward Estimate of Total Farmland**  
OW0903131895 Beijing XINHUA in English 1059  
GMT 9 Mar 95

[FBIS Transcribed Text] Beijing, March 9 (XINHUA) The actual amount of China's farmland may be 120 million ha [hectares], about 20 percent larger than the 95.3 million ha figure which was made public four decades ago and is still the official figure, government officials say.

According to the latest figure, the per capita share of cropland in China is 0.1 hectare, only about one-third of the world average.

Wei Shuying, an official from the Land Statistics Division of the State Land Administration (SLA), explained in a recent interview with XINHUA that the official figure was the result of surveys conducted in the 1950s, when backward conditions and means made it impossible to be accurate.

"There have been some big changes in land resources over the past four decades," Wei went on to say.

The 120 million ha figure was based on analyses of a survey conducted by the Ministry of Agriculture in 1981 and a more detailed one that began in 1984, the official said.

"Although the final results of the detailed survey have not yet come out, we still believe there will not be much difference between the final one and the 120 million ha figure," she added.

Some foreign and domestic scholars have voiced concerns about China's food prospects for the next century as the population of 1.2 billion increases at an annual rate of 14 million and farmland gets turned into industrial and other nonfarm use at a rate of 400,000 ha per year in recent years.

Some Chinese officials and scholars, however, argue that China has the capacity to be self-sufficient in grain production in the next century.

According to another survey conducted in 1990, about eight million ha of farmland could be developed from 13 million ha of wasteland in the northeast, northwest and southwest parts of China and other areas. The reclaimed land could produce 44 to 50 million tons of grain each year, enough for the annual consumption of about 100 million people.

Jiang Yongtao, deputy director of the Planning Department of the Ministry of Agriculture, said that "the potential for grain increases is big since middle and low yield farmlands account for half of the total."

According to an SLA book on the long-term land use strategy, the country's total farmland will stop decreasing by the year 2050 and stand at about 113 million ha, basically enough to meet the needs of the country's population, which will peak at 1.6 billion in the middle of next century.

According to an official national land use plan, China expects to reclaim 2.4 million ha of wasteland by the year 2000.

One-and-a-half million ha of farmland was lost to non-farm use during period 1986-1994, SLA official Zhou Qian said. She stressed that China should spare no effort to protect its farmland and control its population if it wants to remain self-sufficient in grain.

**Grain Provinces To Invest Heavily in Agriculture**  
HK1003100695 Beijing CHINA DAILY in English 10  
Mar 95 p 2

[By Ma Lie and Ren Kan: "Funds Aimed for Agriculture"]

[FBIS Transcribed Text] Four major grain producing provinces—Jiangsu Sichuan Shandong and Liaoning—seek to pour more money into agriculture while focusing on the development of agricultural technology.

Provincial officials, who are in charge of agriculture in their provinces, unveiled their investment plan at a press conference held in Beijing yesterday.

Zhao Wenxin, director of Sichuan's Provincial Commission of Agriculture, said the financial department at the provincial level this year will arrange 440 million yuan (\$52.3 million) for agriculture, 40 million yuan (\$4.76 million) more than last year.

The figure accounts for 11.4 percent of the total expenditure of the provincial level budget, he said. City and county financial departments are also encouraged to invest in agriculture.

Wang Weitian, assistant governor of Shandong Province, said the province's financial departments at all levels will pour in 2.7 billion yuan (\$321.4 million) to build agriculture infrastructural facilities, 300 million yuan (\$35.7 million) more than last year.

Meanwhile, financial departments will arrange another 1.86 billion yuan (\$221.4 million) to support agricultural production, 17.7 percent more than last year.

Liaoning Province finance department last year poured 1.5 billion yuan (\$178.5 million) into the industry, said Feng Yousong, vice chairman of the standing committee of the provincial people's congress.

But provincial officials shared the same view that the funds can not only come from financial departments. They noted some other channels that will pour capital into agriculture.

Yu Jingzhong, director of Jiangsu Province's Agriculture and Forestry Department, said that his province will try to set up an investment system involving all the social sectors for agriculture.

He said the province has set up funds collecting between 1.2 and 1.3 billion yuan (\$142.8 to \$154.7 million) for agriculture.

Wang said Shandong has also decided to set up a specialized water conservation construction fund which is expected to collect hundreds of millions yuan.

Officials also noted that they will direct collectives and individual farmers to invest more in farming.

In addition to injecting more funds, provincial officials said they will try to invigorate agriculture by applying scientific and technological advances.

Yu said that Jiangsu will make more efforts to promote the application of 10 major scientific achievements in the agriculture industry to ensure that the province can fulfill its ambition to increase its grain production.

The province is planning to increase its annual grain output to 35 million tons by the end of this century—up from the present 32 million tons.

Wang said that Shandong will direct more attention to the application of high and new technology in agriculture to make farming methods more efficient and increase yields. The province has set up four high-tech demonstration areas focusing on the breeding of superior seeds, gene projects, and biological technology.

Provincial officials said that they will try to improve the agricultural technology service network to bring the new methods to individual farmers.

They said they will enhance the education of farmers so they can more easily accept the new methods.

Guangdong Province also attended the press conference.

#### Guangxi Reports 'Serious' Agricultural Situation

HK1003021295 Beijing ZHONGGUO XINWEN SHE  
in English 1423 GMT 9 Mar 95

[FBIS Transcribed Text] Nanning, March 9 (CNS)—Guangxi's per capita area of arable land has been reduced by 0.27 mu over the past 17 years. Taking a population of 40 million people in the province into consideration, some 10 million mu of arable land was lost over the past 17 years.

According to the sources of the Guangxi Statistic Bureau, the agricultural situation in the province is very serious. First, per capita cultivated area in the region has declined sharply to 0.89 mu in 1994, down from 1.16 mu in 1978. Next, investment in agriculture is far from enough. Investment of only RMB 230 million [renminbi] was injected into agriculture last year, only accounting for three percent of that in the Seventh Five Year Plan period. Recently, there have been few agricultural infrastructural items put under construction in Guangxi and the existing water-conservancy projects are not capable of withstanding natural calamities.

The weakening of agricultural infrastructural construction and reduction in agricultural investment has already affected the farmers' income in the region. Per capita income of farmers last year only amounted to 90 percent of the country's average and 30 percent of that of urban residents in the region. Owing to the above factors, there are still a large number of poverty-stricken people in the region.

#### Wen Shizhen Holds Forum With Liaoning Peasants

SK1003032095 Shenyang LIAONING RIBAO in Chinese 23 Feb 95 p 1

[By reporter Zhu Qin (2612 0530): "Present the Wishes of Peasants"]

[FBIS Translated Text] The conference room on the fifth floor of Liaoning Building was filled with an enthusiastic atmosphere at 0830 on the morning of 22 February as Wen Shizhen and Xiao Zuofu had invited peasants to attend a forum there.

Peasant Jiang Shuchang, who represents Jiangnan Village in Dashiqiao City, said in a straightforward manner: The crucial issue of agricultural production at present is the shortage of funds and the second is the rise in the prices of the agricultural means of production, especially the high rise in the prices of chemical fertilizers and agricultural chemicals. Peasants can hardly begin to list all their difficulties.

Representative Guan Ping's statement also aroused the attention of all the people. She said: At present some troubled peasant households find it hard to get loans and have no way of preparing for spring farming. She called on the departments concerned to provide support for these peasants and let them till their land without any worries at home.

Wen Shizhen and Xiao Zuofu listened carefully to her statement, took notes, and nodded their heads frequently.

In line with the reality of Dawa County, Representative Xu Zhiqiang said: The government work report is very workable and has clearly defined the demands and objectives for leading cadres at all levels. Grain production has remained the leading industry of the rural areas and the present priority is to stabilize the grain farming areas. The grain farming areas have been sharply reduced at present. It is very difficult to guarantee the total grain output. The provincial government should rapidly issue some policies to make relevant stipulations to protect the farming areas.

Representative Wang Fuju said hurriedly: The present seed and chemical fertilizer markets are chaotic, the speculation situation is serious, and incidents of using fake seeds to entrap peasants have occurred frequently. Peasants cannot stand this.

Wen Shizhen immediately took up the thread of the statement: Regarding cases of fake and inferior seeds, chemical fertilizers, and agricultural chemicals, it is necessary to thoroughly investigate them when they are discovered, and punish in line with law all lawless persons who entrap, harm, and cheat peasants and make or sell fake and inferior agricultural means of production. By no means should we treat them leniently.

The atmosphere in the room became more animated.

Wen Shizhen said: Government departments should clear the circulation channels of the agricultural means of production, give play to their roles as the main channels, realistically manage the circulation links of chemical fertilizers and seeds, and minimize the possibility of seeking exorbitant profits by the intermediate links. Meanwhile, it is necessary to improve the supply

and marketing system at the county level, and do a good job in assigning special departments to sell seeds and chemical fertilizers.

Xiao Zuofu also stressed repeatedly: Grass-roots governments at all levels should grasp and manage this work with joint efforts and make all levels implement it.

Wen Shizhen said to leading comrades of the provincial agricultural bank and the provincial supply and marketing cooperative present at the forum: Owing to last year's natural disasters, seeds and chemical fertilizers have not been delivered to peasants in some areas struck by serious disasters. The agricultural banks and credit cooperatives at all levels should extensively broaden the sources of funds and help the masses in the disaster areas successfully carry out spring farming. He stressed: Governments at all levels should make proper arrangements for the production and living of the people in the disaster areas, guarantee the supply of food grain, seeds, and chemical fertilizers, and the repair of projects damaged by floods, and help poor areas enhance their "self-help function." This statement warmed the hearts of all representatives present at the forum.

The nearly three-hour forum ended. Many representatives had not yet completely expressed their views. Their only aim was to present the wishes of peasants across the province.

#### Ningxia Farmers Benefit From Irrigation Project HK0903105695 Beijing CHINA DAILY in English 9 Mar 95 p 3

[By Ma Lie: "Farmers Are Winners in Irrigation Project"]

[FBIS Transcribed Text] Ningxia Hui Autonomous Region in Northwest China plans to build an irrigation network to improve farming and promote its economy.

The plan, Project 1236, is designed to migrate 1 million farmers from remote mountains to flat lands and reclaim 2 million mu (133,000 hectares) of wasteland with an investment of 3 billion [as published] yuan (\$356,000).

The plan is to be completed in six years, Bai Lichen, chairman of the region's government said.

Bai said the core of the project to be carried out later this year is to irrigate wasteland by tapping water from the Yellow River which flows along the north boundary of the region.

Several high-lift pumping stations will be built to raise the water to irrigate the wasteland about 300 m high in the southern part of the region and hydro-electric power stations will also be built.

In the southern area of the region, more than 500 million mu (33 million hectares) of wasteland is waiting to be improved.

The region, ideal for agriculture, has 1.39 million farmers living in poverty because there is not enough water for agricultural production, Bai said.

To finance the plan the regional government sought State investment and foreign capital.

It also sought donations from the pay of government officials and workers.

"Now more than 50 million yuan (\$5.9 million) has been collected for the project," Bai said.

Ningxia's coal reserves are estimated at 30.8 billion tons. Japan, the United States, and countries in Europe are now importing coal from the region.

"By cooperating with foreign countries, we are carrying out projects on intensive processing of coal and nonferrous metals such as americium, sodium, and ferrosilicon," Bai said.

As the only Hui autonomous region in China, Ningxia plans to pay more attention to establishing relations with Middle East countries, Bai said.

**East Region****Fujian Reportedly Improves Population Quality**

OW1003031495 Beijing XINHUA in English 0213  
GMT 10 Mar 95

[FBIS Transcribed Text] Fuzhou, March 10 (XINHUA)—Southeast China's coastal province of Fujian has been very successful in improving its population quality.

The rate of illiterates and semi-illiterates above the age of 15 in the province had been reduced to 23.15 percent by 1990, compared with 31.63 percent in 1982. More than 120 college students can now be found among every 10,000 people in the province, compared with only 50-odd in 1970.

The birth and the natural growth rates of the province's population had dropped to 16.24 and 10.29 per thousand by 1994 from 34.23 and 27.25 per thousand in 1970, respectively. Meanwhile the life expectancy for Fujian people had risen to 68.8 by the late 1980s.

While exerting great efforts to develop the local economy, the provincial government has never slackened its family-planning work, officials said.

Large sums of money have been poured into the upgrading of local education and public health work over the years, they said, adding that 99.6 percent of school-age children now have normal access to schooling in the province, and a nine-year compulsory education system has been basically put into place all over Fujian.

The province now has over 5,000 public health institutions. Some 96 percent of its villages have hospitals or clinics.

More than 8,800 teams at township or village level are playing an important role in spreading basic knowledge about improving their lives among local people, the officials said.

Meanwhile, a mother and child care network has been formed in the province, bringing the death rate for newborn babies down to below 25.6 per thousand in 1990 from 200 per thousand before 1949, they added.

**1994 Jiangsu Statistical Communiqué**

OW0503113195 Nanjing XINHUA RIBAO in Chinese  
17 Feb 95 p 6

[Jiangsu Provincial Statistical Bureau Statistical Communiqué on 1994 National Economic and Social Development, published in February 1995]

[FBIS Translated Text] In 1994, people of all nationalities in Jiangsu conscientiously implemented the spirit of the 14th CPC National Congress, further strengthened and improved macroeconomic regulation and control, strived to overcome difficulties encountered in forging ahead, carried out reform and opening up in an all-round

manner, maintained rapid economic development, and achieved fresh progress in various undertakings in accordance with the central authorities' principles of "seizing the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability." According to preliminary statistics, Jiangsu's GDP for the year was 405 billion yuan, up 18.5 percent over the previous year. The added value of tertiary industry was 121.9 billion yuan, up 13.8 percent. This is the third year with a high economic growth rate Jiangsu has enjoyed since 1992. The primary, secondary, and tertiary industries respectively accounted for 15.3, 54.6, and 30.1 percent of Jiangsu's GDP. The major economic performance problems were: a fairly high rise in commodity prices, a still weak agricultural foundation, and some state-owned enterprises had production and operation difficulties.

**I. Agriculture**

In 1994, Jiangsu was hit by severe droughts; however, it scored a comparatively good agricultural harvest. The added value of the agricultural sector for the year was 61.8 billion yuan, up 7.1 percent over 1993. Of this, the added value of farm cultivation was 36.6 billion yuan, basically remaining at the same level as the previous year; that of forestry, 1.3 billion yuan, up 10.5 percent; that of animal husbandry, 11.4 billion yuan, up 10.9 percent; and that of fishery, 8.3 billion, up 7.7 percent.

Among major farm product output, increases were seen in the output of cotton, oil-bearing crops, and vegetables. Bumper harvests were registered in silkworm cocoons and fruit; however, the output of grain, beetroot, jute and bluish dogbane, and tea dropped.

The output of major farm products was as follows:

Category	1994 (10,000 tons)	Percentage increase over 1993 BOT
Grain	3,124.05	-4.7
Cereal	2,936.77	-4.7
Bean	96.70	-2.0
Potato	90.58	-10.3
Cotton	45.71	6.6
Oil-bearing crops	133.59	6.3
of which: rapeseed	87.77	0.8
Beetroot	2.16	-4.0
Flue-cured tobacco	0.16	-52.9
Jute and bluish dogbane	0.66	-57.4
Silkworm cocoons	19.63	13.9
Tea	1.20	-20.5
Fruits	78.53	10.2

New success was made in forestry and afforestation. The new afforested area in 1994 was 491,000 hectares, an increase of 111,100 hectares, up 29.2 percent.

An overall increase was registered in animal husbandry. The output of major animal products and livestock inventories was as follows:

Category	1994 (10,000)	Percentage increase over 1993
Pork, beef, and mutton	198.99 tonnes	11.0
of which: beef and mutton	16.87 tonnes	24.5
Cow milk	9.92 tonnes	-11.5
Pigs slaughtered	2,549.91 head	8.3
Pigs in stock (year-end figure)	1,980.29 head	1.7
Sheep and goats in stock (year-end figure)	1,075.49 head	9.9
Large animals in stock (year-end figure)	109.10 head	8.7
Eggs	155.31 tonnes	17.3

Jiangsu again achieved an excellent fishery production record in 1994. Aquatic products totalled 1.8054 million tonnes for the year, an increase of 14.8 percent over the previous year. Of this, freshwater products totalled 1.2799 million tonnes, up 15.8 percent, and marine products totalled 550,000 tonnes, up 12.4 percent.

Jiangsu continued to readjust its agricultural structure. The added value of the province's forestry, animal husbandry, and fishery industries as well as peasant household industries constituted 40.8 percent of the added value in agriculture, a further increase compared to the 39.5 percent increase of the previous year.

There was an increase in the use of farm equipment. As of the end of 1994, the province had 21.614 million kw capacity in farm machinery, up 3.8 percent from the end of the previous year. There were 21,500 large and medium tractors, an increase of 0.9 percent; there were 749,800 small and walking tractors, up 2.0 percent; there were 21,900 heavy-duty trucks, an increase of 21 percent; and the capacity of water draining and irrigation machinery totalled 5.0766 million kw, an increase of 1.2 percent. The amount of chemical fertilizers used in 1994 (calculated in terms of 100 percent active ingredients) amounted to 2.7181 million tonnes, up 8.9 percent. The rural areas used 20.599 billion kwh of power, an increase of 21.7 percent. Jiangsu made new progress in comprehensive development of agricultural resources.

However, the problem of illegal farmland occupation was still glaring, and did not help to bring about stable growth in agriculture.

Jiangsu's rural economy developed further. In 1994, the province's village and town enterprises achieved comprehensive growth in output value, sales, and profits. The nonagricultural economy, such as the rural,

building, and transportation industries, as well as the wholesale, retail, and catering sectors, grew by 26.6 percent over the previous year and constituted 84.9 percent of the rural economy.

## II. Industry and Construction Business

A faster growth pace continued in industry. The added industrial value totalled 201.3 billion yuan for the year, up 26.3 percent over the previous year. Of this total, the added value of light industry was 99.8 billion yuan, up 30.3 percent over the previous year; and heavy industry 101.5 billion yuan, up 22.6 percent. Affected by changes in market demands, the production volume of major industrial products increased or decreased.

Production of major industrial products was as follows:

Category	1994	Percentage increase over 1993
Yarn	641,400 tonnes	-2.6
Cloth	2.793 billion meters	0.4
Wool fabric	95.8247 million meters	13.8
Machine-made paper and cardboard	1.07 million tonnes	12.7
Crude salt	2.8404 million tonnes	10.9
Synthetic detergents	188,000 tonnes	12.3
Household washing machine	795,400 units	46.1
Household refrigerators	234,300 units	31.1
Electric fans	10.8444 million units	15.1
Televisions	4.9048 million units	-4.2
of which: color TV	2.1821 million units	28.7
Raw coal	23.3722 million tonnes	-6.7
Crude oil	920,300 tonnes	6.8
Processed crude oil	9.1839 million tonnes	0.5
Power generation	58.851 billion kwh	14.8
Steel	3.844 million tonnes	8.4
Finished steel products	5.6441 million tonnes	18.4
Pig iron	1.9547 million tonnes	9.9
Cement	30.261 million tonnes	10.7
Plate glass	4.0514 million boxes	-16.8
Sulphuric acid	1.4461 million tonnes	8.4
Soda ash	556,100 tonnes	12.8
Caustic soda	420,000 tonnes	5.1

Category	1994	Percentage increase over 1993
Power generating equipment (above 500 kw)	817,500 kw	29.2
Metal cutting machine tool	32,500 units	-8.9
Automobiles	150,500 units	21.0
Tractors (large, medium)	800 units	-28.5
Chemical fertilizers (in terms of 100 active ingredients)	1.5664 million tonnes	18.1
Farm chemicals	68,700 tonnes	13.4
Chemical fibers	697,300 tonnes	13.7

Industrial economic efficiency improved somewhat, although the improvement was still not satisfactory. In 1994, profits of industries with independent accounting at and above township level totalled 40.077 billion yuan, an increase of 26 percent over the previous year. Overall labor productivity (calculated on added value) grew 32.1 percent. Efficiency in energy utilization was further improved. Comprehensive energy consumption (using standard coal) for industrial enterprises above county level was 1.24 tonnes per 10,000 yuan of output value, down 8.8 percent over the previous year. The composite industrial efficiency index for industrial enterprises reached 101.57, up 2.23 percent over the previous year. However, capital tied up in finished products was still high and accounts receivable increased sharply, which affected enterprise fund turnover and lowering of costs. Some deficit-ridden enterprises still need to improve their loss situation.

The building industry developed rapidly. In 1994, Jiangsu's building industry continued to deepen reform and building enterprises maintained their rapid growth. For the whole year, the building industry's added value was 19.97 billion yuan, up 9.6 percent over the previous year and formed 4.9 percent of the GDP. The overall labor productivity of state-owned building enterprises increased 51.3 percent over the previous year. The area of buildings constructed was 16.892 million square meters [sq m] and building construction quality was also upgraded.

### III. Fixed Assets Investment

In 1994, Jiangsu actively implemented the 10 specific measures the State Council forwarded for controlling fixed asset investment, resulting in a notable drop in the margin of increase in investment need. Total investment in the year came to 128.258 billion yuan, an increase of 12.1 percent over the previous year, a decrease of 48.7 percent in growth margin from the previous year. In the

overall fixed asset investment, state-owned units invested 44.9 billion yuan, up 22.4 percent; investment in real estate development was 14.489 billion yuan, up 27.1 percent; investment by collective-owned units of townships was 9.798 billion yuan, up 15 percent; investment by rural collectives was 37.481 billion yuan, down 3.6 percent; and investment by individual households in townships was 17.59 billion yuan, a growth of 9 percent. The number of capital construction and remodeled construction projects undertaken by state-owned units was 7,234, down 1,030 projects from the previous year.

In the investments of state-owned units, capital construction amounted to 26.858 billion yuan, up 26.6 percent; and remodeled projects totalled 17.071 billion yuan, up 17.6 percent. Investment in central projects was 11.228 billion yuan, a growth of 26.9 percent; and local investment was 33.672 billion yuan, up 20.9 percent.

In remodeled project investment, 4.742 billion yuan, or an increase of 7.1 percent over the previous year, was used to increase variety, upgrade product quality, conserve energy resources, and treat wastes.

The investment structure was further optimized. In state-owned unit investments, tertiary industry was 19.278 billion yuan, a growth of 25.1 percent, and its proportion was raised to 42.9 percent from 41.9 percent in the previous year. Of this, investment in the transportation and posts and telecommunications sectors was 9.398 billion yuan, up 52.6 percent; and education, public health, and the broadcast sector was 2.223 billion yuan, up 31.7 percent. Investment in the energy resources industry was 5.889 billion yuan, a growth of 23.7 percent; and investment in agriculture was 275 million yuan, up 25.6 percent.

New progress was made in the construction of key infrastructures and basic industrial projects. Construction of backbone transportation projects, such as the Shanghai-Nanjing expressway as well as the Nanjing-Lianyungang and Nanjing-Nantong first grade roads, was quickened; construction of the Chang Jiang bridge at Jiangyin began; Huaneng's Nanjing Power Plant generators nos. 1 and 2 as well as Changshu Power Plant generators no. 3 and 4 were completed and put into operation, adding 1.57 million kw in power generation. The total investment in Jiangsu's 87 large and medium capital construction projects as well as above-norm remodeled projects was 8.919 billion yuan, approaching the annual goal. For the whole year, six large and medium capital construction projects were completed, and 19 above-norm projects were remodeled.

### IV. Transportation, Posts and Telecommunications

Communications and transportation developed steadily. The added value for the year was 14.647 billion yuan, up 7.8 percent and accounting for 3.6 percent of the GDP.

The volume of transportation by various means was as follows:

Category	1994	Percentage increase over 1993
Volume of freight transport	144.748 billion ton-km	10.9
Railway	37.213 billion ton-km	7.4
Highway	26.73 billion ton-km	13.7
Waterway	77.54 billion ton-km	12.4
Pipelines	3.265 billion ton-km	-4.8
Volume of passenger transport	67.531 billion person-km	13.0
Railway	16.694 billion person-km	3.5
Highway	50.22 billion person-km	17.0
Waterway	617 million person-km	-14.2
Cargo handled at harbors	192.7 million tons	-1.4

Rapid progress was made in posts and telecommunications service, with an annual added value of 3.27 billion yuan, up 38.5 percent from 1993. Total business transactions in 1994 amounted to 5.332 billion yuan, up 54.5 percent over 1993. Total business income was 4.619 billion yuan, up 58.6 percent from 1993. The number of urban telephones increased by 1,035,700, while the number of rural telephones rose by 344,300. Fax and express delivery services developed rapidly. Beeper service subscribers reached 606,700, an increase of more than 200 percent over 1993. Home telephones have become a new target of consumption for some residents. By the end of 1994, home telephone subscribers reached 1,552,100, an increase of 753,900 as compared with the end of 1993.

#### V. Domestic Trade and Market Commodity Prices

The domestic consumer goods market became brisk. The total value of retail sales in 1994 was 128.786 billion yuan, up 33.1 percent over 1993 (actual increase was 7.7 percent when inflation was factored in). The market changes showed the following characteristics: In the first half of the year, market sales were stable and on the slack side, with an actual growth of 3.1 percent. In the second half of the year, market sales became brisk, with an actual growth of 12.4 percent. Analyzed according to urban and rural markets, retail sales in cities and counties amounted to 84.01 billion yuan, up 34.1 percent; sales on the rural market at and below county level totalled 44.776 billion yuan, up 31.1 percent; rural market development was somewhat accelerated.

The retail sales of consumer goods produced by all economic sectors registered increases. Of the total retail sales, that of state-owned retail units amounted to 40.39 billion yuan, up 21.5 percent; that of collective units was 44.161 billion yuan, up 29.2 percent; and that of individual units was 22.07 billion yuan, up 39.6 percent.

A comparatively bigger stride was made in the reform of the pricing system. In 1994, the province promulgated measures to reform the pricing system in basic industries, including crude oil, petroleum products, coal, and electric power industries. Readjustment was made on the prices of some agricultural capital goods, including chemical fertilizers. The purchase prices of some important agricultural products, such as grain, cotton, and oil-bearing crops, were raised. As a result, price parity relations further improved. However, the general level of market prices was high, with a particularly sharp increase in food prices.

The increase (%) in prices of commodities of various categories in 1994, as compared with 1993

Category	Change
General index of consumer prices	23.2
Food	32.5
of which: grain	51.0
edible oil	59.5
meat, poultry, and their products	46.6
fresh vegetables	47.5
Clothing	21.0
Household goods	10.6
Medical care	13.2
Means of transportation and telecommunications	8.2
Recreational, educational, cultural goods	10.7
Housing	13.0
Services	19.2
Retail price index	23.6
of which: urban areas	21.7
rural areas	24.8
Price index of agricultural capital goods	21.5
Purchasing price index of raw materials, fuel, power	20.1
Post factory price index of industrial products	21.4
Fixed assets investment price index	14.6
Purchasing price index of agricultural products	48.8

#### VI. Foreign Economic Relations

In 1994, the province opened itself even wider to the outside world and accelerated the process of conforming to international economic practices. Its open economy kept a vigorous development momentum.

Foreign trade grew rapidly. The total import-export value in 1994 was \$12.91 billion, up 48.4 percent from 1993. The export value was \$9.024 billion, up 51.4 percent; and the import value was \$3.886 billion, up 41.8 percent. The mix of export goods was further optimized, with an increase of manufactured goods. The value of export trade conducted by foreign-funded enterprises in

Jiangsu was \$3.684 billion, up 62.4 percent from 1993, accounting for 40.9 percent of the province's total export value.

A good trend continued in the use of foreign capital. In 1994, foreign capital actually used by the province totalled \$4.47 billion, up 35.9 percent from 1993. Of the total, \$4.18 billion was actually invested by foreign firms in the province, up 39.1 percent. Foreign firms from more countries (regions) vied to invest. More large corporations and consortia came to invest. There were more large investment and advanced technology projects.

New progress was made in economic and technological cooperation and exchange with foreign countries. In 1994, the province signed 590 new labor service contracts with foreign clients, 172 more than in 1993; the contracts involved \$510 million, up 53.5 percent. Actual business transactions for the year amounted to \$370 million, up 43 percent.

International tourism thrived with each passing day. In 1994, the province received 702,200 tourists and visitors from overseas who came for various activities. Of them, 460,600 were foreigners, up 1.2 percent from 1993. Foreign exchange income from tourism increased by a comparatively large margin.

#### VII. Finance, Banking, and Insurance

In 1994, the province vigorously promoted several important reforms in accordance with unified state plans and Jiangsu's realities. They included the reforms of the fiscal and taxation, banking, foreign trade, and foreign exchange systems. The new fiscal and taxation system operated normally. Supervision over banking was remarkably strengthened and yielded comparatively good results.

Revenues increased rapidly. Since the start of the new fiscal and taxation system, all localities have made great efforts to increase financial resources and stepped up tax collection and management. In 1994, total revenues were 29.33 billion yuan, up 28.3 percent from 1993. Of the total, local revenues were 13.651 billion yuan, up 37.5 percent; and foreign-related tax revenues were 3.096 billion yuan, up 115.6 percent. Of local revenues, the industrial and commercial tax revenues were 10.666 billion yuan, up 25.7 percent. Expenditures totalled 19.889 billion yuan, up 21.5 percent.

The banking situation was stable. In 1994, major banking facilities in the province strived to attract savings deposits. At the end of the year, savings deposits were 248.110 billion yuan, up 39.011 billion yuan from the beginning of the year. The savings deposits increase remained larger than the increase of loans extended. In 1994, the net money supply was 14.04 billion yuan, up 2.438 billion yuan from 1993.

New progress was made in insurance. In 1994, the People's Insurance Company in the province insured

property in China with a total value of 383.3 billion yuan, up 3 percent from 1993. In the province, 53,900 enterprises bought enterprise property insurance, 7.3 million families bought home property insurance, and 17.06 million people bought life insurance. The insurance company handled 2.86 million claims, and paid 1.329 billion yuan in property insurance claims and 370 million yuan in life insurance claims.

#### VIII. Science, Education, Culture, Public Health, and Sports

The ranks of scientists and technicians continued to grow. By the end of 1994, Jiangsu had 1.804 million professional technicians of all kinds, or 4.5 percent more than a year ago. Of the 412,000 people embarking on scientific and technological projects at research institutes, universities, colleges, and industrial enterprises authorized to keep separate accounts, 145,000 were scientists or engineers. The province had 34 Chinese Academy of Sciences academicians and five Chinese Engineering Institute academicians.

Scientific and technological development was vigorous. In 1994, Jiangsu had 425 county-level and higher state-owned and independent research and development organs, 387 research institutes sponsored by universities or colleges, and 1,280 research organs sponsored by large and medium industrial enterprises. In 1994, 2,000 new nongovernmental scientific and technological businesses were established. In 1994, Jiangsu won 363 major science and technology awards, including three first-class awards, 31 second-class awards, 109 third-class awards, and 220 fourth-class awards; and 1,249 achievements won awards from cities under provincial jurisdiction. In 1994, the province accepted 4,007 patent applications and granted 2,436 patents.

The technology market became bigger. In 1994, 21,600 technology-related contracts were signed. These contracts involved business deals amounting to 1.381 billion yuan, or 0.9 percent more than the year before.

The pace of high-technology industrialization quickened. By the end of 1994, there were 333 provincial-accredited high-technology enterprises, which produced 701 types of high-technology products. In 1994, Jiangsu certified 691 new state-class products and 1,785 new provincial-class products. In 1994, the four state-class high-technology industrial development zones in Nanjing, Suzhou, Wuxi (including the Yixing Park for Environmental Industries), and Changzhou—where construction was still going on—yielded 1.03 billion yuan from their technological developments, industrial output, and trade. That was a growth of 119 percent over that of 1993. In 1994, the establishment of 20 state and provincial technology-intensive zones was approved.

Regular education continued to develop. In 1994, Jiangsu enrolled 3,900 graduate students, or 900 more than the year before. Regular schools of higher education enrolled 66,100 undergraduate and junior college-level

students, and the total number of college students reached 201,500, an increase of 21,300 over a year before. The number of students studying in various vocational and technical schools reached 247,100, topping that of the year before by 55,300. The number of students attending vocational middle schools reached 242,100, accounting for 55.2 percent of the number of students studying at regular senior high schools. The number of students studying at regular middle schools reached 3,046,660, the number of students studying at primary schools reached 6,161,700, and 99.44 percent of school-age children were enrolled in schools. In 1994, the nine-year compulsory education system was carried out in 83 counties (cities and districts) and 1,718 townships and towns with 81 percent of Jiangsu's population; that was an increase of 24.2 percent over a year ago. Meanwhile, kindergarten and special education for retarded and handicapped children also developed.

Adult education continued to develop. Educational reform continued to deepen; many nongovernmental professional schools, middle schools, primary schools, and kindergartens were established; and many educational projects cosponsored by regular schools of higher education were launched. In 1994, schools of higher adult education in Jiangsu enrolled 49,400 students, and the total number of enrollees reached 109,900, or 25,100 higher than a year before. The total number of enrollees in middle and professional schools for adults reached 160,900, or 25,700 more than a year ago; and the total number of enrollees in middle and primary schools was 499,700. In 1994, illiteracy was wiped out from among 401,000 young people and people between ages 30 and 40.

Cultural development continued. By the end of 1994, Jiangsu had 137 art troupes, 110 cultural centers, 94 public libraries, 68 museums, 51 radio stations, 21 medium and short wave transmitters and relay stations, 44 TV stations, and 146 TV transmitters and relay stations. In 1994, 1.41 billion copies of newspapers and 63.87 million copies of magazines of various natures were printed.

Public health services continued to develop. By the end of 1994, the province had 12,067 assorted health organs and 174,500 sick beds, including 154,200 in hospitals, or 1,300 more than 1993. In 1994, Jiangsu had 240,500 health workers, an increase of 2.6 percent. Of these workers, 109,400 were doctors, an increase of 2.9 percent; and 62,800 nursing technicians and nurses, an increase of 4.8 percent. The province also had 262 sanitation and antiepidemic stations and specialized prevention organs with 8,800 sanitation and antiepidemic workers, an increase of 0.6 percent over 1993.

New successes were achieved in sports. The 13th provincial games in 1994 was a success, and the preparations for the third national urban sports meet proceeded smoothly. During the 12th Asian Games, athletes from Jiangsu won 14 gold medals, 12 silver medals, 11 bronze

medals, and set one world record. During major international tournaments, five athletes from Jiangsu won seven world championships, and two athletes broke six world records on 12 occasions, and 95.66 percent of students studying at assorted schools at various levels met the state standards set for physical training.

#### IX. Population and People's Livelihood

Jiangsu continued to control population growth. According to a 1994 sampling of population changes, Jiangsu's population growth rate declined from 13.97 per thousand in 1993 to 13.78 per thousand in 1994, the death rate increased from 6.61 per thousand in 1993 to 6.86 per thousand in 1994, and the natural growth rate declined from 7.36 per thousand in 1993 to 6.92 per thousand in 1994. Computed on this basis, Jiangsu's total permanent population by the end of 1994 should be 70,205,400, or 5.327 million more than that at the end of 1993.

People's incomes continued to grow. In 1994, urban resident per capita income was 3,461 yuan, or 37 percent higher than that of the preceding year (the actual increase was 9.3 percent after adjustment for inflation). The per capita net income of people in rural areas was 1,832 yuan, an increase of 44.6 percent over 1993 (the actual increase was 6 percent after adjustment for inflation). While the per capita incomes of urban and rural dwellers grew, the gap between different regions, trades, and social groups was larger, and the livelihood of some low-income families became even more difficult.

Labor reform continued to deepen. In 1994, 221,900 urban dwellers had new jobs and the unemployment rate by year end was 2 percent. By the end of the year, 6.01 million workers and 1.29 retirees had joined the pension program, close to 1 million people in 25 cities and counties had been insured against accidents, and as many as 1.65 million people had contributed to the childbirth and social insurance funds established in 31 cities and counties. By the end of the year, the number of urban workers stood at 9,081,200, a decline of 66,100 from a year ago; and 530,000 workers—an increase of 158,900 more than a year ago—worked for private businesses and independent operators.

Worker wages continued to increase. In 1994, the total payroll of workers was 44.366 billion yuan. Calculated in terms of comparable items, that was an increase of 31.1 percent over the year before. The average workers wage was 4,901 yuan, an increase of 31.5 percent (the actual increase was 4.9 percent after adjustment for inflation).

Savings continued to increase. People's savings in 1994 reached 135.257 billion yuan, or an increase of 38.649 billion yuan, or 40 percent, over that registered at the end of 1993. The quantity of negotiable instruments people purchased increased noticeably.

Living conditions in cities and rural areas continued to improve. By the end of 1994, urban dweller per capita

living space (including living and ancillary areas) was 15.69 sq m, or 1.06 sq m larger than a year ago; and farmer per capita living space was 25.47 sq m, or 0.94 sq m larger than a year ago.

Environmental protection continued to proceed. In 1994, Jiangsu had 4,823 workers working at environmental protection departments; and the province had 99 environmental monitoring stations, accomplished 500 pollution-control projects, and invested 206 million yuan in environmental protection projects. By the end of 1994, Jiangsu had 1,047.86 square kilometers [sq km] of smog-free areas and noise had been placed under control in 433.05 sq km of areas.

Note:

(1) The GDP and added-value indices of various industries mentioned in this communique are calculated in terms of current prices, and the growth rate is calculated in terms of comparable prices.

(2) The GDP and added value of various industries consist primarily of workers compensation, depreciation of fixed assets, net production tax, and operations surplus. They do not include the values of various intermediate attritions, such as energy and raw and semifinished materials. They also show the total values of material products and services produced in one year that can be used for society's final consumption. The major difference between GDP and GNP is that the latter includes net incomes from overseas production factors whereas the former does not. Jiangsu's current net income from overseas production factors are not substantial.

#### Jilin Reports Achievements in Handling Crimes

SK1003085895 *Changchun JILIN RIBAO* in Chinese  
17 Feb 95 pp 1, 4

[By Kang Xuiliang (1660 1331 5328), Wang Desheng (3769 1795 0524), and Luo Limin (5012 4539 3046): "Jilin Scores New Achievements in Anticorruption Struggle"]

[FBIS Translated Excerpt] The standing committee of the provincial party committee recently heard the reports given by the provincial discipline inspection commission and the provincial supervision department on Jilin's 1994 anticorruption work. It affirmed the achievements in last year's anticorruption work, holding that Jilin continued to maintain and develop the good situation in the anticorruption struggle, won good results at varying degrees in the three tasks for opposing corruption in the fixed period, and scored marked achievements in some aspects of work and in the work of some localities and departments. The anticorruption work played a positive role in safeguarding Jilin's political stability, ensuring reform and opening up, and promoting economic development.

Under the leadership of the provincial party committee and government in 1994, party committees, governments, law- and discipline-enforcement organs, and relevant departments at all levels conscientiously carried

out the arrangements of the party Central Committee and the provincial party committee for the anticorruption work, further strengthened leadership, intensified measures, and increased efforts to implement the three tasks for the anticorruption work. [passage omitted]

New progress was achieved in investigating and handling cases.

The masses actively exercised supervision and reported misconducts. Discipline inspection and supervision departments throughout the province received 42,119 reports on misconducts exposed in people's letters and visits, and the provincial discipline inspection commission and supervision department directly received 6,748 reports. Procuratorial departments throughout the province received 13,433 reports, while the provincial procuratorate directly received 2,688 reports. Reports on leading cadres' problems, economic problems, and perversion of laws for the benefit of relatives and friends increased, and there was a notable rise in the reports which were put on file for investigation.

The number of the cases investigated and handled showed no decrease. Jilin's law- and discipline-enforcement departments investigated and concluded the same number of cases in 1994 as in 1993. Discipline inspection and supervision departments put on file for investigation, up 1.2 percent from 1993; concluded 5,030 cases, accounting for 10.1 percent of the total; punished 4,498 persons, up 1.0 percent; and administrative disciplinary actions, up 0.78 percent. 78 persons were dismissed or given a administrative punishment; transferred the cases of 402 persons to judicial departments for handling, of whom 390 had their criminal liabilities investigated and affixed, and recovered an economic loss of 105.5 million yuan for the state and collectives. Among the party members and cadres who were investigated and dealt with, 11 were at the prefectoral (departmental) level, 149 county (section) level, and 901 township (division) level, and 1,029 were personnel of party and government leading organs, law-enforcing administrative departments, judicial departments, and economic management departments. Procuratorial departments throughout the province investigated 2,480 economic offenses and law and discipline violations, roughly the same number as in 1993; concluded 2,368 cases, up 1.7 percent from 1993; prosecuted 882 cases, up 28.2 percent; and recovered an economic loss of 120.3 million yuan for the state and collectives. Five hundred and eight cases committed by the personnel of party and government leading organs, law-enforcing administrative departments, judicial departments, and economic management departments were investigated and handled. Courts at all levels throughout the province investigated and concluded 2,539 economic cases, up 28.4 percent from 1993; pursued the criminal liabilities of 3,362 persons; and recovered an economic loss of 16,289,500 yuan for the state and collectives.

New breakthroughs were achieved in investigating and handling major and serious cases. In 1994, discipline inspection and supervision departments throughout the province handled 1,010 such cases, up 42 percent from 1993. Of the total, 246 cases involved 10,000 yuan each; and 275 were major and serious cases committed by leading cadres at and above the township or division level—eight by cadres at the prefectural or departmental level, 99 by cadres at the county (section) level, and 268 by cadres at the township or division level. Procuratorial departments throughout the province investigated and handled 1,042 economic cases and major and serious law and discipline violating cases, up 39.5 percent from 1993. Cases involving 10,000 to 100,000 yuan each numbered 1,036; those involving 100,000 to 500,000 yuan each numbered 181; those involving 500,000 to 1 million yuan each numbered 23; and those involving more than 1 million yuan each numbered 12. Major and serious cases committed by leading cadres at and above the township or division level totaled 169, of which one was committed by cadres at the prefectural or department level; 82 by cadres at the county (section) level; and 86 by cadres at the township or division level. Courts throughout the province concluded 51 major and serious economic cases and meted out sentences to 118 persons. [passage omitted]

#### Vice Chairman of Shandong CPPCC Dies 2 Mar

SK1003014895 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 9 Mar 95

[FBIS Translated Excerpt] Comrade Wu Minggang, vice chairman of the Shandong Committee of the Chinese People's Political Consultative Conference [CPPCC], died of illness in Jinan on 2 March 1995 at the age of 80. [passage omitted]

#### 1994 Shandong Statistical Communique

SK0403011495 Jinan DAZHONG RIBAO in Chinese 17 Feb 95 p 3

[Statistical Communique issued by the Shandong Provincial Statistical Bureau on the province's national economic and social development in 1994; place and date not given]

[FBIS Translated Text] In 1994, the province as a whole conscientiously grasped the major task of "seizing favorable opportunities, deepening reform, expanding the scale of opening up, promoting development, and maintaining stability"; accurately handled the relationship among reform, development, and stability; ensured the smooth progress of various reform tasks; and made noticeable achievements in macroeconomic regulation and control. The national economy developed at a sustained and high speed, and the quality of the national economic operation was steadily upgraded. Overall economic strength was further enhanced, the industrial structure was continuously optimized, economic results steadily increased, urban and rural markets were brisk

and enlivened; resident living standards were improved step-by-step, and society was stable. Preliminary statistics indicate: In 1994, the GDP was 387.2 billion yuan, an increase of 16.3 percent over 1993. Of this, the added value of the tertiary industry was 119.7 billion yuan, an increase of 20.1 percent over the previous year; and the proportion of the added value of the tertiary industry in the GDP rose to 30.9 percent. Both the total supply and the total demand increased at a faster speed. The differential rate of the total demand and supply was kept within a reasonable scope. The major problems in the economic operation included: Goods prices rose excessively. The agricultural foundation was still weak. Enterprise economic results were not high enough. Some problems that could not be ignored exist in the development of social undertakings. These problems should be solved in the course of further deepening reform and development.

#### 1. Agriculture

In 1994, the province persistently put agriculture at the fore of the economic work. According to the principle of stabilizing grain production and ensuring an increase in cotton production, the province adopted a series of measures to increase input into agriculture, stressed the importance of rejuvenating agriculture with science and education, and steadily expanded the scale of high-yield, good-quality, and high-efficient agriculture. The province basically realized the fighting goals of reaping bumper agricultural harvests, comprehensively promoting the rural economy, and greatly increasing the peasants' income. The added value of agriculture was 7.75 billion yuan, an increase of 7.3 percent. The output of major products was as follows:

Category	1994	Percentage increase over 1993
Grain	40.911 million tonnes	-0.2
of this: wheat	20.331 million tonnes	0.4
Cotton	559,000 tonnes	36.3
Oil-bearing crops	3.383 million tonnes	26.0
of this: peanut	3.335 million tonnes	25.0
Vegetables	33.154 million tonnes	22.2
Fruit	5.929 million tonnes	18.2

Greater headway was made in forestry production. In 1994, 425,700 hectares of wooded areas were developed, an increase of 18.7 percent over the previous year; and the rate of wooded areas reached 18.6 percent.

The livestock output increased by a big margin. The output of major livestock products and the number of animals comprehensively increased.

Category	1994	Percentage increase over 1993
Meat	4.76 million tonnes	31.0
of this: pork	2.239 million tonnes	10.5
beef and mutton	934,000 tonnes	47.4
Cow and goat milk	513,000 tonnes	29.8
Poultry and eggs	2.941 million tonnes	37.5
Pork pigs	27,900 million tonnes	11.0
Slaughtered large animals	13,988 million tonnes	32.2
Hogs in stock	23.5 million tonnes	11.1
Sheep in stock	35,563 million tonnes	30.5

The fishery industry developed in a sustained manner. The output of aquatic products reached 3,507 million tonnes, an increase of 9.8 percent. Of this, the output of marine products was 3,053 million tonnes, an increase of 5.4 percent; and that of fresh-water aquatic products was 453,000 tonnes, an increase of 52.9 percent. Some 160,000 tonnes of aquatic products were exported, an increase of 40,000 tonnes over 1993. Some \$450 million in foreign exchange was accumulated, an increase of \$100 million.

Agricultural production conditions were further improved. The aggregate power of farm machinery was 37,5641 million kw, including farm-use tractors with a total power capacity of 8,658 million kw, an increase of 3.3 percent. The rural consumption of electricity was 13,23 billion kw hours, an increase of 24.1 percent. The effective irrigated areas reached 4,642 million hectares, an increase of 0.4 percent.

Town and township enterprises developed at a fast speed. By the end of 1994, the province's town and township, village-run, integrated, and individually owned enterprises had an employment of 14.62 million people, an increase of 8.2 percent. Of this, the added value of the industries at or below the township level was 70.4 billion yuan, an increase of 32.5 percent. The development of town and township enterprises in the rural areas played a key role in assimilating surplus rural laborers, promoting the sound development of the rural economy, and accelerating the pace of becoming fairly well-off.

## 2. Industry

In compliance with the requirement for establishing the socialist market economy system, Shandong Province accelerated enterprise reform, actively carried out the activities to increase production, practice economy, increase income, and reduce expenditures; further adjusted the industrial composition and product mix; and strove to improve economic efficiency, pay close attention to product quality, and achieved sustained and rapid development in Shandong's industrial production in 1994.

Industrial production grew at a high rate. The added value of the entire industry totaled 170 billion yuan, up 19.4 percent. Of the total, the added value of the industries at and above the township level stood at 142.4 billion yuan, up 22 percent. Sales value totaled 494.5 billion yuan, up 29 percent. The industries of various economic sectors developed at a high rate, and the proportion of those of nonstate-owned sectors increased. The added value of state-owned industries rose by 10.4 percent, of which that of large and medium-sized industries registered a 17.6-percent increase and that of collective industries a 28.0-percent increase, and the added value of the industries of other economic sectors with the three types of foreign-funded enterprises as the mainstay rose by 59.6 percent. In the added value of the industries at and above the township level, nonstate-owned sectors accounted for 58 percent, up 2.9 percentage points from the preceding year. The growth of heavy industry was slower than that of light industry due to the reduction in investment. The added value of heavy industry was 78.7 billion yuan, and the sales value was 259.43 billion yuan, up 21.3 and 27.7 percent, respectively, from the preceding year, and the added value of light industry was 63.6 billion yuan, and the sales value was 235.15 billion yuan, up 23.1 and 30.3 percent, respectively. The product mix continued to be adjusted and optimized to comply with market demand.

The output of major industrial products is as follows:

Category	1994	Percentage increase over 1993
Raw coal	75,606 million tonnes	9.7
Crude oil	30.97 million tonnes	-5.3
Electricity	67.5 billion kw hours	11.6
Steel	3,686 million tonnes	12.2
Rolled steel	2,285 million tonnes	2.4
Soda ash	11,161 million tonnes	7.0
Caustic soda	522,000 tonnes	12.8
Chemical fertilizer	1,817 million tonnes	16.8
Chemical plastic sheets	21,000 tonnes	2.2
Synthetic rubber	126,000 tonnes	3.6
Cement	48,853 million tonnes	22.9
Metal cutting machine tools	16,068	-16.7
Motor vehicles	16,000	-23.3
Large and medium tractors	10,307	106.7
Small tractors	243,000	41.9
Cameras	350,000	-2.8
Color televisions	685,000	43.7

Household washing machines	1.054 million	36.3
Electric fans	1.698 million	2.9
Household refrigerators	625,000	23.0
Chemical fiber	127,000 tonnes	33.2
Yarn	535,000 tonnes	-24.7
Cloth	2.79 billion meters	7.2
Beer	1.874 million tonnes	7.9
Machine-made paper and cardboard	2.152 million tonnes	14.8
Synthetic detergent	188,000 tonnes	8.3

The coordination between production and marketing was further improved. The marketing rate of Shandong's industries at and above the township level was registered at 96.8 percent, up 0.9 percentage points from the preceding year. Judging from the different economic sectors, the marketing rate of state-owned industries was 98.7 percent, that of collective industries 95.2 percent, and that of other sectors 96.9 percent, up 1.0, 1.3, and 0.1 percentage points, respectively, from the preceding year. Thanks to efforts to rely on their personnel and technology advantages and to actively change their operating mechanism, large and medium-sized enterprises notably increased the competitive edges of their products, and their annual marketing rate was 98.8 percent, up 2.0 percentage points from the provincial average.

Economic efficiency improved steadily. Industrial enterprises at and above the township level throughout the province generated 38.79 billion yuan in profits and taxes in 1994, up 48.8 percent; and the profits they earned totaled 14.84 billion yuan, up 60.1 percent. The major indicators reflecting economic efficiency were better than in the preceding year. Of them, the profit-tax rate of funds was 10.7 percent, up 1.7 percentage points; the profit rate of cost 4.5 percent, up 0.8 percentage points; the productivity 22,202 yuan per capita, up 33.3 percent; and the turnover of circulating assets 1.8 times, basically the same as in the preceding year. Deficits were gradually alleviated, and notable results were achieved in ending deficits and increasing profits. The year-end number of the enterprises in the red declined from 10.6 percent in the preceding year to 9.3 percent, and the amount of deficits dropped to 2.7 billion yuan, down 50.6 percent from the preceding year.

### 3. Investment in Fixed Assets and Building Industry

Marked results were achieved in the macroeconomic control and regulation of the investment in fixed assets, and the inordinately large increase in investment demand was effectively checked. The 1994 investment of the entire society in fixed assets totaled 110.36 billion yuan, up 23.7 percent from the preceding year, or 8 percent when allowing for price rises. The rate of increase dropped by 24.7 percentage points compared to the preceding year. Of the total investment, that made by

local authorities came to 91 billion yuan, up 22.7 percent, and the rate of increase dropped by 29 percentage points.

In fixed asset investments, that made by state-owned units totaled 61.11 billion yuan, up 28.3 percent. Of this, investment in capital construction was 31.671 billion yuan, up 32.3 percent; and that in technical transformation and equipment renewal 16.925 billion yuan, up 30.6 percent. Investment by collective units totaled 29.465 billion yuan, up 19.8 percent; and investment made by individual household businesses totaled 11.578 billion yuan, up 9.8 percent.

The number of new construction projects decreased, and the scale of the ongoing projects was effectively brought under control. Newly started capital construction, technical transformation, and equipment renewal projects numbered 4,264, down 545 from the preceding year; and planned investment in these new projects totaled 26.43 billion yuan, down 23.3 percent. The investment of the ongoing projects of state-owned units totaled 173.2 billion yuan, a 13.9 percent increase, and the rate of increase was 11.1 percentage points lower than the preceding year.

Investment in real estate declined by a large margin. Investment made by the various economic sectors in real estate development totaled 9.76 billion yuan, an 11.9-percent increase, and the rate of increase dropped by 77.1 percentage points as compared with the preceding year.

Investment in basic industries and infrastructural facilities was further strengthened. In investments made by state-owned units, the investment in agriculture, forestry, and water conservancy projects came to 1 billion yuan, up 52.2 percent, and the proportion rose from 1.6 percent in the preceding year to 1.8 percent; investments in transportation, post, and telecommunication came to 8.75 billion yuan, up 57.2 percent, with the proportion rising from 13.4 percent to 16 percent; and investments in energy industries came to 15.52 billion yuan, up 27.3 percent, while investment in the electric power industry rose by 46.4 percent.

Key construction projects proceeded fairly smoothly. Investment in the 35 state and provincial key projects totaled 11.45 billion yuan, equivalent to 105.8 percent of the annual quota. The investment of the eight state key projects was equivalent to 107 percent of the annual quota. Thirteen single-item projects were completed or by and large completed to increase crude oil production capacity by 4.01 million tonnes, thermal power generation capacity by 725,000 kw, steel smelting capacity by 400,000 tonnes, coal dressing capacity by 1.2 million tonnes, and crude salt production capacity by 1 million tonnes.

The building industry developed steadily. The added value of Shandong's building industry totaled 20 billion yuan, up 10.2 percent. Houses built by state-owned and

urban collective units at and above the county level totaled 33.25 million square meters [sq m], up 21 percent; and the proportion of the houses completed and commissioned was 31 percent.

#### 4. Transportation, Post, and Telecommunications

Communications and transportation undertakings achieved steady development. In 1994, the province as a whole enhanced construction of the communication infrastructures of various categories, upgraded the transport capability, and increased the volume of passenger and cargo transports. The province as a whole built 4,192 km of new highways. At the end of 1994, the highways reached 50,225 km. Of this, that of high-grade and second-high-grade highways reached 34,782 km, a 4,097 km increase over 1993. The volume of goods transported along the highways across the province as a whole reached 464.87 million tonnes, a 13.9 percent increase over 1993, and that of passenger transport reached 300 million persons, a 1.9 percent increase over 1993. The volume of loaded and unloaded goods at harbors reached 85.5 million tonnes, a 12.1 percent increase over 1993, topping again the previous peak.

A new step was taken in the construction of local railways. At the end of 1994, local railways across the province as a whole reached 198 km. The volume of goods transported in the whole year reached 3.473 million tonnes and 230 million tonnes/km. The number of passengers transported reached 20,000 and the turnover volume of passenger transport reached 865,000 persons/km.

The aviation undertaking achieved swift and violent development, and the province established the Shandong Airline. At the end of 1994, the province as a whole had 59 air routes connecting 70 cities. Of these air routes, two are new international routes. The volume of air cargo transport in the whole year showed a 38.5 percent increase over 1993 and that of passengers transported showed a 35.2 percent increase over 1993.

The development of post and telecommunication undertakings was undoubtedly accelerated. The business volume of post and telecommunication undertakings in the whole year reached 4.04 billion yuan and showed a 49.4 percent increase over 1993. The total income made from these undertakings reached 3.85 billion yuan and showed a 54.6 percent increase over 1993. By the end of 1994, the number of long-distance telephone lines reached 55,000, showing a 71.9 percent increase over 1993. The capacity of long-distance automatic telephone switch boards reached 145,000 lines, a 145.8 percent increase over 1993. In the province as a whole, most cities at and above the county level were equipped with the program-control telephone system, and 90 counties and county-level cities formed local telephone networks. The capacity of public telephone switchboards in the province as a whole reached 3.017 million lines. The rate of telephone popularization reached 2.4 telephone sets per 100 residents and showed a 0.8 sets per 100 residents increase over 1993.

#### 5. Domestic Trade

Domestic markets were prosperous and brisk, and commodity sales showed a longer increase. In 1994, the commodity circulation front actively fostered and developed markets by seizing the favorable opportunity of economic development and broadened the commodity sale. The total retail sale of consumer goods in the whole year reached 11.324 billion yuan and showed a 34.4 percent increase over 1993 and an 11.7 percent increase by excluding the factor of price hikes, topping the previous peak. Of these retail sales, those of urban areas reached 78.51 billion yuan and showed a 36.1 percent increase over 1993 and those of rural areas reached 34.73 billion yuan and showed a 30.8 percent increase over 1993.

The market competition became intensified day by day and retail sales of commodities turned out by various enterprises showed an overall increase. In 1994, the retail sale of state-owned enterprises reached 37.9 billion yuan and showed a 21.3 percent increase over 1993, and sales of collectively owned enterprises reached 31.29 billion yuan and showed a 26.3 percent increase over 1993. Excluding state and collectively owned enterprises, the retail sales of other enterprises reached 44.05 billion yuan and showed a 56.3 percent increase over 1993. The proportion of this form of retail sale increased from 33.5 percent in 1993 to 38.9 percent in 1994.

Retail sales of various industries and trades showed an overall increase. The retail sales of business firms in charge of both whole and retail trades showed a 30.4 percent increase over 1993; that of food service trades, a 56.8 percent increase; that of manufacturing trades, a 30.5 percent increase; and that of other trades, a 20.8 percent increase. The retail sales scored by peasants in business transacted with nonagricultural residents reached 11 billion yuan and showed a 66.1 percent increase over 1993. The proportion of these retail sales increased from 7.9 percent in 1993 to 9.7 percent in 1994.

Retail sales of various consumer goods showed an overall and rapid increase. In 1994, retail sales of food-stuffs showed a 34.1 percent increase over 1993; that of clothes, a 27.7 percent increase; and that of daily necessities, a 38.2 percent increase.

Trade fairs of both urban and rural areas were brisk. In 1994, the business volume of trade fairs across the province totalled 99.1 billion yuan and showed a 79.3 percent increase over 1993. Of this volume, that of trade fairs in urban areas totalled 60.5 billion yuan and showed a 97.1 percent increase over 1993, and that of trade fairs in rural areas totalled 38.6 billion yuan and showed a 57.1 percent increase over 1993.

The markets of means of production were not brisk. In 1994, due to adverse influence exerted by the reduction and slow down in the increase of investment demands and by the fund shortage of circulation enterprises, sales

of means of production across the province decreased. Material supply enterprises across the province bought 26.2 billion yuan of various means of production, a 51.8 percent decrease over 1993; they sold 27.69 billion yuan of various means of production, a 51.6 percent decrease over 1993.

The construction of market systems achieved rapid development. The province newly built, rebuilt, and expanded 1,042 trade fairs in the year. By the end of 1994, the number of trade fairs across the province totalled 8,264. Of this number, that of trade fairs in charge of wholesale farm and sideline products totalled 633; that of trade fairs in charge of sales of means of production totalled 313. Stock markets achieved rapid development. The number of stock institutions across the province totaled 92, and that of network and agencies in charge of stock transactions totaled more than 260. Markets in charge of short-term funds formed a network and established business relations with 26 provinces (municipalities) and more than 100 large and medium-sized cities throughout the country. The number of talented personnel markets and job service institutions across the province totalled more than 200. The markets of technologies, information, real estate, and culture achieved further development.

#### 6. Foreign Trade and Economic Cooperation

Import and export trades achieved greater development. The province's total export volume in trade with foreign countries in 1994 reached \$7.08 billion and showed an 18.5 percent increase over 1993. Of this volume that of exports in general trade totalled \$4.66 billion; that of exports handled by foreign-funded enterprises totalled \$2.4 billion; and that of exports of barter trades totalled \$22.35 million. The total value of imports (calculated by the customs office) totalled \$3.76 billion and showed a 21.9 percent increase over 1993.

Foreign funds that were actually brought in showed a greater increase. The province as a whole newly approved foreign capital utilization contracts of 4,747 projects that showed a 40.7 percent decrease over 1993. The volume of foreign funds involved in these contracts totalled \$6.25 billion and showed a 17.3 percent increase over 1993. The volume of foreign funds that were actually brought in totalled \$3.4 billion and showed a 50.5 percent increase over 1993. The number of newly approved foreign-funded enterprises totalled 3,650, a 49.6 percent decrease over 1993. The volume of foreign funds involved in the contracts of these foreign-funded enterprises totalled \$5.26 billion and showed a 25.8 percent decrease over 1993. The volume of foreign funds that were actually brought in totalled \$2.54 billion, a 37.6 percent increase over 1993. The number of newly signed loan contracts reached 126. The volume of these loans totalled \$830 million and that of loans that were actually brought in totalled \$810 million. The average scale of loans increased from \$970,000 in 1993 to \$1.47 million in 1994. The rate of loan delivery was further upgraded.

Economic and technical cooperation with foreign countries achieved new progress. The province as a whole signed contracts for 411 construction and labor cooperation projects with foreign countries, a 37.5 percent increase over 1993. The volume of funds involved in these contracts totaled \$320 million and showed a 57.4 percent increase over 1993. Funds involved in honored contracts in the year totalled \$122 million, a 75.6 percent increase over 1993. The accumulated number of enterprises established overseas totaled 266, and the volume of investments made in overseas totaled \$115 million.

International friendly exchanges and tourism became more brisk. In 1994, the province as a whole received 322,000 tourists and visitors from overseas, Hong Kong, Macao, and Taiwan; this includes persons engaged in economic, trade, and exchange activities in the province, which showed a 13.3 percent increase over 1993. Of this number, foreigners totaled 198,000, a 36.8 percent increase over 1993; overseas Chinese totaled 6,000, a 17.9 percent increase; compatriots from Hong Kong and Macao totaled 61,000, a 14.1 percent decrease; and compatriots from Taiwan totaled 58,000, a 10.1 percent decrease. The income of foreign exchange made from tourism totalled \$107 million and showed a 48.1 percent increase over 1993.

#### 7. Finance

Headway was made in the financial and tax reform. The budgeted tasks were satisfactorily fulfilled. In 1994, the province's revenues reached 30.21 billion yuan, including 16.89 billion yuan handed over to central finance and 13.33 billion yuan in the local revenues; this amounted to 116.7 percent of the budget, an increase of 32.1 percent. The province's expenditures reached 21.87 billion yuan, accounting for 103.6 percent of the budget, an increase of 16.1 percent. The province struck a balance between revenues and expenditures and had a slight surplus when calculated in terms of the current financial system. The province has balanced revenues and expenditures for eight consecutive years.

Banking developed at a faster speed. Savings deposits and credits were balanced. At the end of 1994, bank savings deposits reached 252.26 billion yuan, an increase of 71.55 billion yuan over the figure at the beginning of the year, and an increase of 39.6 percent over 1993; and bank credits reached 251.83 billion yuan, an increase of 46.27 billion yuan over the figure at the beginning of the year and an increase of 22.5 percent over 1993. The credit structure was readjusted. Loans for working funds and agriculture increased. Loans for fixed assets were reduced. Bank cash income reached 450.61 billion yuan, an increase of 27.9 percent; and bank cash spending reached 458.66 billion yuan, an increase of 27.9 percent. Some 7.5 billion yuan were put into circulation during the year, an increase of 940 million yuan over 1993.

The people's insurance cause was further developed. Premiums for insurance of various kinds in 1994 totaled 500 billion yuan, an increase of 8.7 percent. Some

26,000 enterprises participated in enterprise property insurance, 8.09 million households in household property insurance, and 11.2 million persons in life insurance programs of various kinds. The total income from premiums for insurance services at home and abroad reached 2.65 billion yuan, an increase of 13.9 percent; and total spending on compensation at home and abroad reached 1.56 billion yuan, an increase of 14.9 percent. Of this, compensations for property losses reached 1.04 billion yuan; those for agricultural losses, 30 million yuan; those for life insurance, 190 million yuan; and those for foreign business losses, 290 million yuan.

#### 8. Science and Technology

New headway was made in scientific and technological undertakings. In 1994, the province made 3,113 key scientific and technological findings. Of them, 416 attained international advanced levels and 2,131 national advanced levels. At the end of the year, the province had 311 state-owned independent scientific research and development organizations at or above the county level and more than 5,000 civilian-run scientific and technological enterprises.

The province smoothly carried out the "Spark Plan." Five hundred and forty "Spark Plan" items at or above the provincial level were developed during the year. More than 200,000 technological and managerial personnel were trained for rural areas, and 95 provincial-level "Spark" prizes were gained.

Technological markets were getting brisker with each passing day. The pace of turning technological findings into commodities was accelerated. By the end of 1994, there were 7,169 technological and trade organizations of various categories with an employment of 97,000 persons. Of this, more than 50 percent were science professionals and technicians. Some 18,565 technological contracts were signed during the year, and 1.67 billion yuan were involved in the contracts.

Patent work developed rapidly. In 1994, the province applied for 5,092 patent rights, of which 2,646 were approved.

Large and medium-sized industrial enterprises made new headway in technological development. Of these enterprises, 50 percent established special technological development organizations, which had over 90,000 people engaged in technological development activities. Over 7,000 technological development projects were completed or are being carried out.

Construction of high- and new-tech development zone proceeded steadily. By the end of 1994, Shandong's nine development zones at and above the provincial level had invested 12.5 billion yuan in construction. They built 3.79 million square meters of houses, established 501 high- and new-tech enterprises, developed 553 high- and new-tech products, and carried out 324 Torch Plan projects.

Improvement was achieved continuously in meteorological, geological, survey, and mapping, and standard measurement work, and the technological level was raised. Weather departments gave fairly accurate and timely forecasts on various natural disasters to serve production and people's lives and won notable economic benefits and social benefits. Geological departments verified one solid mineral discovery, discovered one important ore deposit and one base area for detailed survey, submitted 100 geological reports, and completed 60,712 meters of machine drilling of the core. Surveying and mapping departments prepared 2,768 maps of various scales, drew up 312 maps, completed aerial photography of an area of 24,648 square km, provided 8,119 maps of various scales to the public, published 691,000 copies of maps and 1,286 aerial pictures, and completed the survey and mapping of 1,421 areas. Technological supervision departments formulated five provincial-level local standards and put 57 standards for agriculture into practice. Fourteen measurement standards were established and 52 were checked, measurement attestation was given to 96 quality inspection organizations, and six local rules were formulated for measurement inspection. A total of 1,118 products in 112 categories from 1,003 production and marketing enterprises were examined, and 66.1 percent of them were found up to the standard, showing improvement.

#### 9. Urban Construction and Environmental Protection

Notable results were achieved in urban construction. Marked improvement was seen in urban infrastructural facilities, public service, and environmental support facilities, thus upgrading the comprehensive service functions of cities. By the end of the year, the length of urban roads totaled 11,280 km, which covered 143.29 million sq m. Public transportation, especially that of taxis and buses without conductors, showed substantial improvement. By the end of the year, 5,100 such buses were in service, the total length of the routes they ran was 12,164 km, and their annual transportation capacity was 1.4 billion passengers. A total of 2.1 billion tonnes of tap water was supplied to 94.5 percent of the people in the year. By the end of the year, 1.65 million households, or 62 percent of the total, had access to coal gas or liquefied petroleum gas. Areas access to central heating increased from 22.45 million sq m in the preceding year to 30.45 million sq m. Urban green areas totaled 48.86 million sq m by the end of the year, and the per capital public green area was 5 square meters. Eighty-two percent of garbage and night soil were treated.

Environmental protection made new headway. By the end of 1994, Shandong's environmental protection departments had established 150 environmental monitoring stations, 130 of which were county-level monitoring stations. Throughout the province, 204 smoke and dust control areas covering 891 square km were designated in 44 cities of the province, and 151 areas covering 427 square km that met the target of noise control were designated in 42 cities.

**10. Education, Culture, Public Health, and Sports**

The educational front accelerated the pace of reform, set up new branches of learning and specialized courses to meet the needs of the market economy and opening up, positively cultivated skilled persons with the knowledge of various branches of learning, and transferred them to various levels. Thus, the province's universities and secondary specialized schools increased their enrollment rapidly.

Ordinary higher education developed in the course of readjustment. In 1994, the province enrolled 1,364 post-graduates, an increase of 16.5 percent over 1993; and the enrollment in graduate schools reached 3,326 students, an increase of 26.4 percent. Institutions of higher learning enrolled 55,000 students taking both regular and special courses, a drop of 5 percent from the previous year and had an enrollment of 157,000 students, an increase of 7.7 percent.

Secondary education developed steadily. In 1994, the province had 1,096 secondary vocational and technical schools with an enrollment of 763,000 students. The proportion of the enrollment in secondary vocational and technical schools in the total enrollment in the senior high schools rose from 56.4 percent in 1993 to 58 percent. Enrollment in senior high schools increased by 52,000 students, an increase of 10.2 percent; and that in junior high schools, 267,000 students, an increase of 3.2 percent.

The primary school education was basically popularized and the teaching quality of the primary schools was further improved. In 1994, the enrollment in primary schools totaled 8.955 million students, the enrollment rate of the school-age children was 98.9 percent, an increase of 0.2 percentage point from the previous year. Some 87.7 percent of the primary school graduates entered the schools of a higher level, an increase of 4.8 percent. By the end of 1994, 54 counties across the province popularized the nine-year compulsory education system. Pre-school education developed at a faster speed. In 1994, 2.681 million children attended kindergarten, an increase of 2.2 percent; and 12,000 students attended schools for the handicapped, an increase of 1.2 percent.

Training networks for adult education took shape. In 1994, the institutions of adult education recruited 81,000 students taking regular and special courses, an increase of 14.3 percent over the previous year. The enrollment in these schools reached 196,000 students, an increase of 31.5 percent; and that in the secondary specialized schools for adults reached 169,000 students, an increase of 5.3 percent.

Cultural undertakings developed smoothly. In 1994, the province had 119 artistic groups of various kinds, 121 artistic performance centers, 129 public libraries, 157 cultural and artistic museums, 175 archives, and 5.4 million books (volumes). The province as a whole had 81 radio transmitting and relay stations of various levels and 30 shortwave and medium-wave radio transmitting and relaying stations. There were 54 television stations and 83 television transmitting and relay stations with a capacity of over one kw each. The daily average transmission time of province's radio stations reached 754 hours and 38 minutes, and the weekly average transmission time of the province's television stations reached 2,391 hours and 47 minutes. The radio and television population coverage rates reached 86 percent and 85.2 percent respectively. Some 200 million copies of 1,874 books, more than 900 million copies of 77 papers, and 54.36 million copies of 216 magazines were published during the year.

Public health undertakings continued to develop. Medical conditions were further improved. In 1994, the province had 3,113 hospitals of various categories, an increase of 145 over the previous year, and 181,00 beds, an increase of 4,545. There were 264,000 health technicians of various categories, an increase of 2.1 percent. Of them, 115,000 were doctors, an increase of 3.7 percent. Traditional Chinese medical undertakings developed more rapidly. The number of traditional Chinese medical hospitals, their beds, and traditional Chinese medical workers increased by more than 5 percent each.

New achievements were made in sports competitions. In 1994, during international competitions, we captured five world championships, two runner-up titles, five ternary titles, one world youth championship, and nine Asian championships, three runner-ups, nine ternary titles, and four Asian youth championships. In national competitions, we captured 39 gold medals, 50 silver medals, and 63 bronze medals; and in attending national youth competitions, we captured 17 gold medals, 14 silver medals, and nine bronze medals.

**11. Market Price**

In 1994 the province accelerated the pace of price reform, adjusted the prices of some farm and sideline products as well as basic industrial products, decontrolled prices of most products, and raised the overall level of retail commodity prices by a fairly large margin. Thanks to improvement of the macroeconomic environment, there was an ample supply of goods, and the purchase desire of the residents was basically stable.

The overall level of consumption prices of residents across the province rose by 23.4 percent, which was lower than the national average level of the price rise, of which the prices of commodities in the urban areas rose

by 25.4 percent and that of rural areas, 21.7 percent. The rise of prices of various items was calculated in percentage as follows:

Category	Whole province	Urban areas	Rural areas
Foods	30.5	32.3	28.9
Clothing	17.2	21.7	13.7
Household equipment and articles	9.9	10.8	9.2
Medical and health-care	11.0	8.9	12.0
Communications, telecommunications	8.0	8.5	7.7
Recreation, educational, cultural articles	14.7	11.1	17.3
Housing	29.5	40.9	22.5
Service items	24.5	19.8	28.9

The overall level of retail prices of commodities across the province rose by 20.6 percent, which was lower than the national average level. Of this, retail commodity prices in urban areas rose by 20.6 percent and in rural areas by 20.7 percent. Prices of agricultural means of production rose by 24.1 percent, transaction prices of products in farm-product markets rose by 30 percent, purchase prices of agricultural products rose by 48.7 percent, and factory prices of industrial goods rose by 24.2 percent. The price index of investment in fixed assets rose by 15.8 percent.

## 12. Residential Living Conditions and Population

The income of urban and rural residents increased by a large margin. In 1994 the average per capita income for living expenses of urban residents across the province totalled 3,199 yuan, up 36.8 percent over the previous year, showing an actual increase of 9.1 percent if the price factor is included. The average per capital net income of peasants totalled 1,320 yuan, up 38.5 percent over the previous year, showing an actual increase of 8.6 percent if the price factor is included.

Actual living standards of urban and rural residents were further upgraded and the housing conditions continued to improve. The average per capita consumption expenditure of urban residents across the province totalled 2,635 yuan, up 35.4 percent, the average per capita expenditure on living expenses of peasants totalled 955.7 yuan, up 37.4 percent. The consumption and income of urban and rural residents increased simultaneously. The average per capital living space of the rural and rural residents reached 8.4 sq m and 21.2 sq m respectively and the housing quality was generally upgraded.

The number of consumer goods for urban and rural residents continued to increase. The consumer goods

owned by every 100 urban and rural households were as follows:

Category	Urban areas	Rural areas
Television sets	113.4	85.5
of which Color tv	88.0	14.1
Cassette recorders	79.5	23.2
Household refrigerators	81.0	5.1
Washing machines	86.6	9.9
Electric Fans	182.0	103.1
Sewing machines	72.6	73.4
Cameras	29.5	1.8

The contingent of workers was stable and their wages rose. There were 8,746 million workers across the province by the end of 1994 (workers of township-run and village-run enterprises are not included), an increase of 175,000 workers over the previous year. Among them, workers of state-owned units numbered 6,211 million, an increase of 17,000 workers. Among the workers of state-owned units, 2,483 million were contract workers, an increase of 569,000 workers. The proportion of contract workers in state-owned units rose from 30.9 percent in the previous year to 40 percent. The total payroll of workers was 36.43 billion yuan, up 36.8 percent over the previous year, and the average wage of workers was 4,242 yuan, up 34.7 percent.

The savings deposits of urban and rural residents increased by a large margin. By the end of the year, the savings deposits of urban and rural residents totalled 160.04 billion yuan, an increase of 48.21 billion yuan over the early period of the year. Of this, 116.11 billion yuan came from urban areas, an increase of 36.37 billion yuan, and 43.93 billion yuan came from rural areas, an increase of 11.84 billion yuan.

Social welfare undertakings continued to develop. By the end of the year, the province as a whole had 4,556 social welfare institutes of various descriptions, caring for 86,000 people. There were 28,296 social security foundations, and the social security network coverage rate reached 87.9 percent. During the year, 110 million yuan were issued for helping the people tide themselves over natural disasters and supporting poor areas, and 130,000 households shook off poverty. The province as a whole had 3,961 social welfare enterprises, providing jobs for 70,000 disabled people.

Noticeable results were achieved in family planning work and the population was increasing at a low rate. In 1994, the party committees and governments at all levels exerted greater efforts in the work of controlling population growth, while concentrating energy on accelerating economic development, strictly controlling population growth, and maintaining a good job of increasing the population of the province at a low rate. Based on the sample survey on population changes, in 1994 the birth

rate was 9.69 per thousand, the death rate was 6.67 per thousand, and the natural population growth rate was 3.02 per thousand. The total number of people across the province was estimated at 86.714 million at the end of the year. Notes: 1) The GDP, the added value, and the sales value index quoted in the communique are at current prices for the year and the growth rate is calculated at comparable prices. 2) The figures listed in the communique are figures carried in the annual bulletin or preliminary statistics.

**Shanghai To Recommend Famous 'Brand-Names'**  
SK0903234795 Beijing XINHUA Domestic Service in Chinese 1500 GMT 6 Mar 95

[By correspondent Cui Longjiang (1508 7893 3068) and reporter Li Zhenghua (2621 2973 5478)]

[FBIS Translated Text] Shanghai, 7 Mar (XINHUA)—Shanghai Municipality has begun to carry out the "famous brand-name project" throughout the municipality, with the preliminary target of setting forth 100 publicly-confirmed famous brand-name products this year.

Shanghai's products have always been well-known among the people for their good quality. The implementation of the "famous brand-name project" is aimed at further consolidating the competitive advantage of Shanghai's products on domestic markets, making Shanghai's products' more competitive on the world markets, and accelerating the pace of creating a number of brand-name products and star enterprises.

As systems engineering, the "famous brand-name project" includes the contents of creating, recommending, disseminating, and developing famous brand-name products. To ensure fairness and authority in recommending famous brand-name products, the Shanghai Municipal government, with the coordination of pertinent fields, has authorized the municipal Economic Commission and municipal Technology Supervision Bureau to organize the Examination and Recommendation Committee for Shanghai's brand-name and quality products. This committee will appraise, examine, and recommend Shanghai's brand-name and quality products in a unified manner in line with the principles of voluntary application by enterprises rather than forced participation, collecting no charges from enterprises, playing the role as professional intermediate organization and specialist, and reducing administrative color.

"Famous brand-name" products should garner public confirmation. For this reason, when carrying out this strategic policy, Shanghai Municipality will only periodically make public the namelist of the recommended brand-name products to indicate the reputation of being confirmed by the public and consumers, and will not issue "famous brand-name" and "fine-quality" certificates.

**Shanghai To Host International Auto Show**  
OW0903165495 Beijing XINHUA in English 1610  
GMT 9 Mar 95

[FBIS Transcribed Text] Shanghai, March 9 (XINHUA)—The '95 China International Auto Industry Show is expected to be held this year in this east China metropolis.

More than 300 auto makers and traders from all over the world are likely to take part in the six-day exhibition, scheduled to open June 27. World auto giants General Motors, Ford, Chrysler, Toyota, Nissan, Volkswagen, Daimler-Benz, Volvo and Renault will display their latest models and cars suitable for ordinary Chinese families.

Auto parts and accessories employing the latest technologies will make up half of the exhibition, since China has decided not to approve the building of new automobile plants; priority will be given to the sector of auto parts and accessories.

China, with the world's biggest population, has become the auto market with the biggest potential for overseas producers and agents since it began to encourage families to buy cars.

The exhibition hall will cover 25,000 sq m [square meters], and one foreign company has booked 300 sq m, the largest area booked so far.

**Shanghai Municipal Government Views Jobless Rate**  
OW1003014795 Beijing XINHUA in English 0119  
GMT 10 Mar 95

[FBIS Transcribed Text] Shanghai, March 10 (XINHUA)—Shanghai, China's largest city and industrial center, kept its urban unemployment rate at 2.8 percent last year, lower than the national average of 2.9 percent, according to the local government.

Shanghai, with a population of over 13 million, reported the number of job-seekers increasing in recent years.

The municipal government last year kicked off a re-employment project in a bid to enlarge job channels and provide more job opportunities for the unemployed. Steps such as free skill training, setting up job agencies and expanding the service sector, have helped the city bring the jobless rate under control.

Shanghai Airlines, for example, joined hands with the textile sector of the city and recruited some laid-off women workers as stewardesses.

Some companies or units have been established to hire the unemployed to provide community services, such as laundry, baby-sitting, and car cleaning.

At present, the city labor department, social organizations and individuals have opened 77 job agencies, playing the role of go-between for the labor market and job-seekers.

Chinese Labor Minister Li Boyong said at the ongoing Third Session of the Eighth National People's Congress Tuesday that China's urban unemployment was 4.8 million or 2.9 percent in 1994, and the country has pledged to hold the rate below three percent.

**1994 Shanghai Statistical Communique**  
*OW2202135195 Shanghai JIEFANG RIBAO in Chinese*  
*8 Feb 95 p 16*

[Statistical Communique on the 1994 Economic and Social Development of Shanghai Municipality, issued by the Shanghai Municipal Statistical Bureau on 24 January 1995]

[FBIS Translated Text] In 1994, led by the Shanghai Municipal CPC Committee and the municipal government, the people of the entire municipality persisted in taking the theory of building socialism with Chinese characteristics as the guide, and followed the correct principle of "seizing the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability" in emancipating the mind, seeking truth from facts, fighting ferociously, and advancing courageously. While firmly implementing the central measures for macroeconomic regulation and control, they vigorously promoted reform and triumphantly achieved the targeted goal for bringing about substantial changes in the final of the three years. In the past year, we carried out various comprehensive coordinated reform programs; maintained sustained, rapid, healthy development of the municipal economy; further improved the quality of economic operations; continued to open up Shanghai wider to the outside world as well as to other parts of the country; accelerated the development of Pudong; quickened the pace of constructing urban infrastructure facilities; promoted the comprehensive development of science, education, culture, public health, sports, and other social undertakings; and further improved the living standards of urban and rural residents. Preliminary estimates indicate that the total value of GDP was 196.665 billion yuan. Calculated in terms of comparable prices, this figure represents a 14.3 percent increase over the previous year.

The major problems that remained in social and economic development were: Fairly large increases in commodity prices and hardships in the life of some segments of the population; relatively heavy financial burdens that some enterprises, especially state-owned enterprises, had to bear in supporting social undertakings, resulting in difficulties in production and management; and extremely arduous tasks in urban modernization and reform and city transportation and housing problems which had not been fundamentally solved.

#### I. Primary Industry

The value added by the municipality's primary industry for the whole year was 4.037 billion yuan, up 2.9 percent over the previous year; however, its ratio to the GDP dropped to 2.1 percent from 2.5 percent.

In 1994, the municipality, under the premise of ensuring the fulfillment of state procurement contracts and in accordance with the demand of the market, continued to readjust the structure of the agricultural sector and

developed famous, special, fine quality, and new products. The gross output value of agriculture was 12.735 billion yuan, up 5.2 percent over 1993. Of this, the output value of crop cultivation was 5.403 billion yuan, down 1.2 percent; that of animal husbandry was 5.715 billion yuan, up 7.4 percent; and that of fishery was 1.565 billion yuan, up 17.5 percent. Efforts were made to further promote the "vegetable basket" project. However, due to adverse weather and other factors, the output of some farm and subsidiary products slightly decreased.

The output of major farm and subsidiary products follow:

Crop	1994	Percentage increase over 1993
Grain	2,034,000 tonnes	-1.0
Cotton	4,800 tonnes	-40.4
Oil-bearing crops	97,800 tonnes	-26.4
Vegetables (landings)	1,455,000 tonnes	3.8
Total output of meat	211,000 tonnes	-3.4
of which: pork	208,000 tonnes	-3.2
Poultry (landings)	124,000,000	3.8
Eggs (landings)	135,100 tonnes	4.0
Milk	206,400	-15.9
Pigs slaughtered	3,960,000 head	-3.3
Pigs in stock	1,850,000 head	-8.0
Watermelons and muskmelons	244,300	-18.7
Aquatic products	262,400	10.9
of which: marine products	140,800	13.4
Fresh-water products	121,600 tonnes	8.1

As of the end of 1994, the aggregate power of farm machinery in the suburban counties reached 1.5946 million kilowatts, up 7 percent from the end of the previous year. Rural consumption of electricity in the year totaled 5.42 billion kilowatt hours, up 3.8 percent; and 792,000 tonnes of chemical fertilizers were used, down 6.3 percent.

#### II. Secondary Industry

The value added by the municipality's secondary industry for 1994 was 114.634 billion yuan, up 14.2 percent over that of the previous year. Of this increase, the value added by industries was 107.372 billion yuan, up 14.2 percent; and by the building industry, 7.262 billion yuan, up 13.8 percent. The ratio of the secondary industry to the GDP dropped to 58.3 percent from 59.6 percent the previous year.

Industry: In 1994, the municipality's industrial sectors seized opportunities, deepened reform, readjusted the industrial structure, and geared themselves toward the

market. The municipality's industrial sales value was 412.372 billion yuan, up 16.4 percent over that of the previous year. Of this, based on the proportion of capital, the industrial sales value of state-owned economic sectors amounted to 267.112 billion yuan, up 10.2 percent over that of the previous year. The industrial sales value of the municipality's collective-owned institutions was 74.832 billion yuan, up 12.4 percent over that of the previous year. The industrial sales value of other economic sectors was 157.552 billion yuan, a growth of 38.4 percent. Of this, the sales value of three kinds of partially or wholly foreign-owned enterprises was 84.793 billion yuan, up 57.2 percent. The sales value of light industry for the whole year was 181.267 billion yuan, up 16.5 percent over that of the previous year, and the sales value of heavy industry was 231.105 billion yuan, up 16.3 percent. Industrial output kept pace with sales and the sales rate of the municipality's industrial products was 98 percent. Of this, the sales rate of heavy industries was 98.4 percent while that of light industries was 97.6 percent.

The pace of readjustment of the industrial structure was quickened and newly-developed pillar industries have grown to fairly large scales. The output value of automobiles, electronics information equipment, complete power plant equipment sets, petrochemicals, steel, and household electrical appliances—the six major pillar industries—constitute 44 percent of the total industrial output value of the municipality at and above the township level. The increase in output value constitutes over 50 percent of the increased industrial output value of the municipality at and above the township level. The production of Santana cars, digital program-controlled exchanges, fine petrochemical products, large-screen color televisions, and room air conditioners grew by fairly large margins.

The output of major industrial products was as follows:

Category	1994	Percentage increase over 1993
Yarn	279,000 tonnes	-12.0
Cloth	770 million meters	-25.4
Woolen fabric	22.4392 million meters	-10.3
Silk products	75.0154 million meters	-33.2
Chemical fibers	332,900 tonnes	10.6
Synthetic detergents	176,500 tonnes	36.1
Clothing	273 million pieces	2.3
Watches	16.6282 million pieces	6.3
TV	4.7295 million sets	9.5
of which: color TV	1.3298 million sets	35.3
Video recorders	574,800 units	160.0

Component audio sets	121,500 units	290.0
Camera	1.0530 miloion units	73.7
Faxsimile machines	10,801 units	1,800.0
Water heaters	373,300 units	190.0
Household washing machines	1,842,300 units	42.7
Household refrigerators	1,041,500 units	45.5
Room air conditioners	500,200 units	68.8
Raw chemical drugs	197,000 tonnes	17.7
Raw farm chemicals	73,000 tonnes	-3.9
Chemical fertilizers	262,300 tonnes	-6.9
Ethylene	422,500 tonnes	12.3
Soda ash	38,900 tonnes	13.4
Caustic soda	380,600 tonnes	6.4
Cement	3,073,800 tonnes	7.6
Plate glass	6.6481 million cases	16.5
Microelectronics computers	12,787 units	70.2
Integrated circuits	31.9934 million pieces	51.7
of which: large scale	16.2116 million pieces	62.1
Computerized exchanges	4.6408 million sets	58.8
of which: digital	4.4040 million sets	51.9
Processed crude oil	9.2072 million tonnes	-0.4
Power generation	39.940 billion kw	7.9
Pig iron	9.4653 million tonnes	4.0
Steel	13.2276 million tonnes	-9.8
Rolled steel	11.1908 million tonnes	4.1
of which: thin steel plate	3.2503 million tonnes	4.7
10 kinds of nonferrous metals	79,100 tonnes	-12.7
Metal cutting machine tools	13,900 units	-13.1
of which: digitally controlled	927 units	-29.6
Automobiles	118,300 units	13.2
of which: Santanas	115,300	15.3

Industrial economic efficiency grew steadily. Profits of the city's industrial enterprises rose 10.1 percent in 1994 over the previous year, overall labor productivity was 24,709 yuan per person, up 10.6 percent over the previous year. The city's composite index of economic efficiency was 126. Enterprise reform deepened and new

progress was made in enterprise system renovations. Pilot reforms of the modern enterprise system were launched; collective-owned enterprises in cities and the countryside made further progress in implementing the partnership system based on shares; and the privately owned and individual sectors of the economy also made some headway. Readjustment of the organizational structure of enterprises intensified. Eight new enterprise groups were formed during the year, raising the total number to 32 by year's end. Those enterprise groups exploited their overall strength and improved their competitiveness in the marketplace.

**Construction industry:** Large-scale urban construction with the focus on road and communications facilities and development of the Pudong District picked up speed in 1994, creating good opportunities for construction enterprises. Construction enterprises further deepened their internal restructuring, and achieved a comprehensive growth of various major production indices. In the municipality, the total output value of the construction industry was 27.785 billion yuan, up 44 percent over the previous year. Of these, state-owned enterprise output value was 20.446 billion yuan, up 59.2 percent; and that of collective-owned enterprises was 7,339 million yuan, up 20.5 percent. The total construction area of the municipality's building enterprises was 31.0344 million square meters, up 2.3939 million square meters over the previous year; and the construction area completed was 13.0048 million square meters, up 1.5632 million square meters over the previous year.

The construction industry deepened reform and improved economic efficiency. Overall labor productivity, calculated on the basis of total output value, was 68,200 yuan per person, an increase of 55 percent over the previous year.

### III. Tertiary Industry

The added value of Shanghai's tertiary industry was 77.994 billion yuan in 1994, up 15.8 percent over the previous year. The added value of tertiary industry accounted for 39.6 percent of the city's total annual value of goods and services, up 1.7 percent over the previous year. Within tertiary industry, the added value of transport and post and telecommunications was 14.989 billion yuan, up 7 percent over the previous year. The added value of commerce, catering services, and materials supply and marketing was 20.421 billion yuan, an increase 10.1 percent; and that of banking and the insurance business was 21.343 billion yuan, an increase of 29.7 percent.

**Transport and post and telecommunications:** As a result of the deepening of reform, changes in the distribution channels for supplies and commodities, and development of ports around Shanghai that took away some business, the overall freight volume dropped as compared with the previous year.

The volume of transportation by various means was as follows:

Category	1994	Percentage increase over 1993
Total volume of freight transport	285.48 million tonnes	-6.0
Railway	62.3 million tonnes	2.4
Highway	74.25 million tonnes	-19.2
Waterway	148.78 million tonnes	-1.2
Civil Aviation	0.15 million tonnes	7.1
Volume of port cargo	165.81 million tonnes	-5.8
Volume of passenger transport	44.5 million people	1.4
Railway	29.84 million people	4.3
Highway	4.62 million people	-11.2
Port passengers	5.46 million people	-11.5
Civilian aviation	4.58 million people	16.8

Post and telecommunications businesses developed at an accelerated pace. The post and telecommunications business volume for the whole year of 1994 reached 4.19 billion yuan, an increase of 46.4 percent over the previous year. A total of 490 million pieces of mail were delivered, an increase of 25.4 percent. Of the total, 1,746 million were domestic express delivery, up 97 percent, and 477,000 were international express delivery, up 19.9 percent. Newspapers and periodicals totaling 1.04 billion copies were distributed, a drop of 5 percent from the preceding year. There were 222 million long distance telephone calls made, up 46.1 percent. Of the total, international long distance calls, including calls to Hong Kong and Macao, reached 25.46 million, an increase of 45.7 percent. As of the end of 1994, the municipality had a total of 2.316 million telephone lines. The number of urban telephone subscribers increased by 424,000; that of rural subscribers, 76,000. There were 1.583 million telephone subscribers as of the year's end, of which 1.359 million were in the city and 224,000 in the surrounding countryside. At the same time, mobile telephone service continued to expand. As of the end of 1994, cellular phone subscribers reached 73,000, an increase of 30,000 as compared with that as of the end of 1993. Telephone pager subscribers totaled 502,000, an increase of 180,000.

**Domestic trade:** Shanghai stepped up development of the market system and made initial progress in building a rather rational market system with state-level markets in the lead, regional markets as the backbone, and local markets the foundation. The market played a more essential role in the allocation of resources.

The supply of consumer goods was ample, and the market was stable yet brisk. Sales of consumer goods for the whole year reached 77.074 billion yuan, an increase of 23.5 percent over the previous year. The real increase was 5.1 percent, if price increases are factored in. The volume of retail sales in urban areas was 60.628 billion

yuan, up 24.3 percent over the previous year; that of the surrounding counties, 16.446 billion yuan, up 20.4 percent.

Overall increases were registered in the retail sales of commodities by state-owned, collective, and individual commercial units. In 1994, sales by state-owned retail units reached 32.963 billion yuan, an increase of 10.5 percent over the previous year; sales by collective units reached 25.743 billion yuan, an increase of 25.4 percent; and sales by individual units reached 11.33 billion yuan, an increase of 47.7 percent. Sales of commodities in all categories registered growth. Of the total value of retail sales in 1994, the volume of food sales amounted to 30.685 billion yuan, an increase of 25.2 percent. The real increase was 0.5 percent, if price increases are factored in. The total value of sales of clothing items was 11.484 billion yuan, increasing by 22.3 percent, with the real increase being 3.8 percent if price increases are factored in. The total value of sales of consumer goods other than clothing and food products was 34.318 billion yuan, an increase of 22.4 percent, with the real increase being 9.9 percent if price increases are factored in.

The sales of high-grade consumer durables, including home appliances, rose by a great extent. Sales of video cameras increased by 34 percent over the previous year; refrigerators, by 9.8 percent; air conditioners, 110 percent; motorcycles, 25.7 percent; microwave ovens, 150 percent; and furniture, 46.4 percent.

Materials were in ample supply and the materials market was stable, with prices of some materials dropped. Sales of the materials department during the year were 36.762 billion yuan, 3.5 percent less than in 1993. Of the major materials, sales of steel products were 3.349 million tonnes; up 8.5 percent; copper, 117,000 tonnes, up 29.5 percent; and lead, 4,284 tonnes, up 26.2 percent. Sales of coal and timber dropped somewhat.

The commodity futures market was reorganized and became more standardized. The volume of transactions of the metals, grain and edible oils, and construction materials exchanges came to 1.5418 trillion yuan in 1994.

**Finance and insurance:** With the deepening of reform of the banking system, the city's banking market experienced healthy growth, and the situation of the financial sector was good and orderly. At the end of 1994, the total amount of savings deposits in the city's banks increased by 95.87 billion yuan compared with that at the beginning of 1994. The total balance of bank loans at the end of 1994 was 48.16 billion yuan more than at the beginning of the year. The amount of increase of savings deposit was 47.33 billion yuan more than the amount of increase of bank loans.

Shanghai adopted a series of measures for stabilizing, regulating, nurturing, and developing the stock market. The accumulated volume of securities traded in Shanghai's stock market in the whole year was 2.5482 trillion

yuan, a growth of 8.9 percent over that in the previous year. As of the end of the year, 203 companies were listed in the stock market with 259 kinds of securities traded, up 36.3 percent over that of the previous year. The number of member companies of the Shanghai Stock Exchange increased to 550 by the end of the year, up 14.3 percent over the previous year. In 1994, the total state bonds traded were valued at 1.9575 trillion yuan, or 75 percent of the total value of all securities traded; and the total stock traded was 573.5 billion yuan, up 140 percent over the previous year. The total amount of interfinancial institution loans was 219 billion yuan, down six percent compared to the previous year. As of the end of 1994, there were 2,510 financial institutions and networks in Shanghai, an increase of 253 over the previous year. The financial circle continued to open up wider to the outside world, and the number of foreign-funded financial institutions and representative offices reached 120. The insurance industry experienced accelerated growth. The total insurance premium income for the whole year was 2.103 billion yuan, up 45.4 percent over the previous year; while insurance claims amounted to 746 million yuan, up 26.7 percent.

**Foreign economy:** In 1994, reform of foreign trade and foreign exchange systems was implemented smoothly, and foreign trade continued to grow. According to statistics released by customs, total exports and imports handled through Shanghai ports for the whole year totalled \$36.246 billion, up 17.2 percent. Of this, total exports were \$18.938 billion, up 35.5 percent, while total imports were valued at \$17.308 billion, up 2.1 percent. The municipality's total foreign trade was valued at \$15.819 billion, up 24.4 percent. Of this, exports were worth \$9.077 billion, up 23 percent, while imports were \$6.742 billion, a growth of 26.4 percent.

Shanghai increased further the use of foreign funds. In 1994, contracts for 3,802 projects with direct foreign investment of \$10.026 billion were signed, up 4.2 percent and 42.9 percent, respectively, over those in the previous year. In addition, contracts for 178 foreign loans totalling \$1.705 billion were signed. Foreign investment expanded and diversified wider. Among direct foreign-invested projects, the number of large projects with contract sums over \$10 million totalled 242, or six percent of the municipality's total projects. The total contracted sums for these large projects amounted to \$6.613 billion, or 66 percent of the municipality's total contract foreign fund. Foreign investment has widened to the areas of energy infrastructure, finance, and commercial buildings. As of the end of 1994, Shanghai contracted total use of \$31.332 billion in foreign funds. Of this, contracts for direct use of foreign funds amounted to \$23.731 billion. The amount of foreign funds actually utilized was \$14.646 billion, with direct use totalling \$8.269 billion.

1994, Shanghai signed a total of 396 foreign contract projects and labor service cooperation contracts, up 110 percent over that of the previous year. The total contract

sum was \$270 million, up 31.7 percent. Actual business volume for the whole year was \$244 million, a growth of 76.8 percent. The total number of workers dispatched was 5,758, up 86.2 percent. Shanghai used various channels to actively attract businessmen and strive to open up overseas markets. The municipality has established an initial pattern of developing foreign economic cooperation through multiple channels at multiple levels. Shanghai has established foreign contract projects and labor service cooperation with over 90 countries and regions.

**International tourism:** In 1994, Shanghai received 1.3218 million tourists from 157 countries and regions, up 5.9 percent over that of the previous year. Of these tourists, 1.0197 million were foreigners, up 19.6 percent; while Hong Kong, Macao, and Taiwan compatriots totalled 285,300, down 24.7 percent.

**Science and technology, education, and culture:** New achievements were made in scientific and technological undertakings. According to initial estimates, Shanghai's spending on research and development constitutes about 1.5 percent of the gross domestic product. In 1994, the municipality had 1,715 major scientific and technological achievements—nine were pioneers in the world; 632 reached or neared advanced international level; 433 were pioneers in the country; and 606 reached advanced national level. Shanghai has upheld close integration of scientific and technological advancement with economic development, and continued to promote development of high and new technology. In the whole year, a total of 456 projects of the "Spark," "Torch," and "Achievement Promotion" programs were implemented with total investment of 2.012 billion yuan and an increase of 10.28 billion yuan in output value. The municipality developed 20,000 new products with an output value of 31 billion yuan in the whole year. The application rate of scientific and technological achievements was 92.65 percent. In the whole year, contracts for 25,100 projects of various technological cooperation worth 2.209 billion yuan were signed, an increase of 8.7 percent over that of the previous year.

The pace of education reform and development has quickened. A diversified school operating system suited to the market economic development is taking shape. The municipality has made tremendous progress in restructuring the educational program by focusing on merging institutions of higher learning, and continuing to deepen reform for the student enrollment and graduate employment system. Vocational, technical, and adult education of multiple forms and levels is thriving. Foreign language proficiency tests and examination in computer usage received wide response from the people. In 1994, Shanghai enrolled 5,130 postgraduate students, up 19.8 percent over that in the previous year. General institutes of higher learning enrolled 41,800 students for undergraduate and specialized studies, down 4.1 percent. Of these students, 10,800 or 25.8 percent of the total were private students. As of the end of the year, the

municipality's 46 general institutes of higher learning had an enrollment of 140,400 students, up 7.2 percent over that of the previous year; and 26,700 students at colleges for adults, down 54.1 percent. In the whole year, 2,859 postgraduate students completed their studies, with 442 and 2,363 obtaining doctorate and masters degrees, respectively, and 31,800 undergraduates completing their studies. As of the end of the year, the municipality had 741 general middle schools with 655,700 students, up 13.7 percent over that in the previous year; 100 intermediate vocational schools with 92,300 students, up 21.8 percent; and 1,962 elementary schools with 1.1398 million students, down 2.3 percent. The rate of enrollment for school-age children reached 99.07 percent in the municipality.

Cultural, press, publication, radio, and television sectors thrived. Spiritual civilization, aimed at raising the people's quality and educational level in urban areas, was further strengthened. As of the end of the year, the municipality had 462 movie screening units, 244 of which were cinemas and theaters. In addition, there were 43 cultural and public art galleries, 31 public libraries, and 35 art troupes. Shanghai produced 16 feature films and distributed 183 various new movies in 1994. Shanghai People's Radio broadcast a daily average of 131 hours for its eight programs; Shanghai Dongfang Radio aired a daily average of 57 hours for its three programs; Shanghai Television aired a weekly average of 216 hours for its two programs; and Shanghai Dongfang Television transmitted a weekly average of 117 hours. In addition, cable television had 1.16 million terminals and broadcast a weekly average of 439 hours for its four programs. The educational television station transmitted an average of 105 hours weekly. In the whole year, 1.863 billion copies of newspapers, 172 million copies of various kinds of magazines, and 235 million copies of books were published.

Shanghai made new progress in the public health sector. During the year, it increased spending for disease prevention and health care, developed various kinds of medical services, and promoted medical fee reform. As of the end of the year, the municipality had 5,606 various medical and health care organizations, including 497 hospitals; 4,909 outpatient clinics; 31 health care and epidemic prevention stations; and 12 women and children health care centers. The municipality had 112,000 specialized health care personnel, including 55,200 doctors and 33,500 nurses; and 68,100 hospital beds.

Shanghai achieved new results in sports as it continued to deepen reform for sporting activities, with people's active participation. In 1994, Shanghai athletes broke seven world records and nine Asian records; won 34 gold, 21 silver, and 8 bronze medals. At the Seventh National Games, the Shanghai sports delegation won 29 gold, 23 silver, and 15 bronze medals, and ranked third in the nation in total points and number of medals won.

#### IV. Pudong's Development

Pudong's development entered a new stage in which infrastructure has taken shape and development has begun to produce tangible results. According to preliminary statistics, the New Pudong District's 1994 gross domestic product totaled 29.12 billion yuan, an increase of 28.6 percent over the preceding year. Its tertiary industry registered an increase of 9.088 billion yuan, or 42.8 percent. Industrial sales for the entire year totaled 76 billion yuan, an increase of 19.2 percent. Retail sales of consumer goods totaled 7.579 billion yuan, up 80.8 percent.

Construction of infrastructure in the new district continued at an accelerated pace. Key urban construction projects, including the construction of the Yangban Section of the central axis avenue and the Jinqiao overpass and the expansion of the Zhangyang and Hunan roads, were completed during the year. In addition, first-stage preparatory work for the 10 new major infrastructure projects were carried out. Development of key small districts also accelerated, with their total area expanded to 15 square km. More than 80 financial, commercial, and trading complexes began construction in the Lujiazui Financial and Trade District; 23 of them were completed either entirely or structurally. The bonded area of the Waigaoqiao Bonded Zone reached 5.5 square km. The number of projects undertaken in the zone exceeded 1,300, and the value of import and export cargo passing through the zone reached \$1.2 billion. Some 250 enterprises entered the Jinqiao Export Processing Industrial Zone; 150 projects began construction, and 80 projects were put into operation. The zone's industrial output value totaled 5 billion yuan. Some 20 high-technology projects were undertaken in the Zhangjiang Advanced Technology Park. A new situation was created in Pudong's opening to the outside world. Contracts for direct foreign investment in 1,035 projects were signed, and some \$2.62 billion of foreign capital were absorbed under signed contracts. These figures represented 12 and 51.4 percent increases, respectively, over the preceding year. The number of enterprises from other parts of the country operating in the new district continued to increase. The number of projects undertaken by them was 668, with registered capital totaling 1.641 billion yuan.

#### V. Investment in Fixed Assets

In 1994, while strictly controlling new projects, the municipality concentrated on adjusting the investment structure and increasing investment returns. Investment in fixed assets during the whole year totaled 111.123 billion yuan, an increase of 69.9 percent over the preceding year. Of the total amount of investment, 81.811 billion yuan was invested by state-owned units, an increase of 62.4 percent; 16.54 billion by collective units, an increase of 37.2 percent; and 1.01 billion by individuals, an increase of 35.4 percent. Investment in commercial housing totaled 11.762 billion yuan, a 4.3-fold increase.

The number of new projects was effectively controlled. The total number of new projects undertaken by the municipality in the entire year was 2,133, a decrease of 915 from the preceding year. Priority continued to be given to key projects, and investment in urban infrastructure and tertiary industry continued to increase. Some 67.183 billion yuan was invested in tertiary industry, an increase of 90.4 percent. The municipality invested 23.476 billion yuan in 44 major projects, accounting for 24.4 percent of the municipality's total investment.

The pace of project construction accelerated. The municipality's construction cycle was shortened to three years from 3.3 years the year before. The floor space of all kinds of housing completed during the year totaled 17.4469 square meters, adding 52.642 billion yuan to the municipality's fixed assets.

#### VI. Urban Construction

In 1994, Shanghai's urban construction, focusing on improving roads and transportation, entered a period of successful completion. The total investment made in urban infrastructure construction in the year amounted to 22.339 billion yuan, up 31.7 percent from 1993. A breakthrough was made in the construction of the urban transportation network. A 48-kilometer elevated inner beltway was completed and opened to traffic. The No. 1 subway route was completed and is being tested. The elevated structure over Chengdu Road was basically completed. In road transportation, Shanghai has entered a new stage since some elevated roads became open to traffic and Pudong and Puxi were connected by a bridge. Some important projects which improve the city's appearance, such as the comprehensive renovation of the People's Plaza and the building of the Oriental Pearl Television Tower, have been completed. Important business districts such as Nanjing Road, Huaihai Road, Xujiahui, and Yuyuan, underwent large-scale reconstruction. The city's appearance is undergoing profound changes.

New progress was made in urban public utilities. By the end of the year, the city had 458 public transportation routes, or 8 more than at the end of 1993; 10,031 vehicles for public transportation, or 953 more than at the end of 1993; and 33,900 taxis and rental cars, or 4,900 more than at the end of 1993. In 1994, public means of transportation carried a total of 5.446 billion passengers, or 14.92 million passengers daily on the average. In 1994, 1.418 billion tonnes of running water were provided, or an increase of 5 percent over that of the preceding year; of the water supply, 778 million tonnes were for household use, up 9 percent from the previous year. In 1994, coal gas and liquified natural gas were delivered to an additional 300,400 households through pipelines; and the annual gas supply totalled 1.663 billion cubic meters, up 6.1 percent from 1993 and making gas a more popular fuel among residents.

New progress was made in comprehensive improvement of the urban environment. The amount of major pollutants emitted became stable and somewhat smaller, and the urban environmental quality remained stable and somewhat better. The first-stage pollution control project on the Suzhou He could intercept 1 million tonnes of polluted water daily. In 1994, 11 factories that created serious pollution were relocated. By the end of the year, a total area of 84.9 square kms attained noise control targets. Tree planting continued in urban areas, with 15 percent of the areas covered with trees by the end of the year.

### VII. Commodity Prices

In 1994, the reform of the pricing system was further deepened, and the state increased the prices of electricity, crude oil, natural gas, petroleum products, and chemical fertilizer, as well as the purchasing and marketing prices of grain and the purchasing prices of cotton. At the same time, Shanghai actively and properly promoted the reform of local pricing system in light of local realities.

The scale of price increases was comparatively high in 1994 due to such factors as the state's policy price increases, excessive increase of demand for several consecutive years, disorderly commodity circulation, and an inadequate price regulation and control mechanism. The price index of retail sales in Shanghai was 117.5. The general price index of resident consumption was 123.9; and a breakdown showed 130.2 for food, 117.4 for clothing, 110.8 for household equipment and goods, 112.3 for medical and health care goods, 103.5 for transportation and telecommunications, 115.6 for educational, recreational and cultural goods, 120.3 for housing, and 120.6 for services. Food prices alone caused the general price index to increase by 16.2 percentage points and were to blame for 67.7 percent of the total increase in the general price index.

### VIII. Population and the People's Livelihood

Preliminary statistics show that by the end of 1994, 12.985 million people had registered their domiciles in Shanghai. According to samplings conducted among permanent residents, the population by the end of 1994 should be 13.56 million, the birthrate was 5.8 per thousand, the mortality rate was 7.0 per thousand, and the natural growth rate was minus 1.2 per thousand.

By the end of 1994, Shanghai had 4,807,600 workers and staff members, a decrease of 95,900 from the previous year. Of the total, state-owned units had 3,417,400 workers and staff members, a decrease of 107,300; collectively-owned units had 846,800 workers and staff members, a decrease of 1,100; and units of other forms of ownership had 543,400 workers and staff members, an increase of 11,500. The number of self-employed workers in urban areas was 101,000, an increase of 38,300. In 1994, 222,700 people were given jobs in urban areas.

In 1994, the average per capita income from wages was 7,309 yuan for workers, an increase of 29.4 percent over the previous year. After allowing for the rise in the cost of living, the actual increase was 4.4 percent. The net per capita annual income of peasants in Shanghai's suburban counties was 3,400 yuan, or 24 percent higher than a year before. After allowing for commodity price rises, the actual increase was 3.8 percent. The amount of money saved by urban and rural residents continued to grow. Their savings deposits at the end of 1994 reached 96.66 billion yuan, an increase of 33.82 billion yuan as compared with the beginning of the year.

People's living conditions continued to improve. In 1994, the investment in urban housing projects totalled 27.614 billion yuan, a 310 percent increase over the previous year. New houses with a total floor space of 8.8019 million square meters were completed, further increasing the per-capital floor space of living quarters.

Notes: 1. All figures in this communique are preliminary.

2. The absolutes of the additional values and the total output values in this communique are calculated according to the prices of the given year, and the growth rates are calculated according to comparable prices.

3. The additional values are new values, including primarily the laborer's rewards, profits, taxes, and depreciations; and they do not include the values of intermediary consumption, such as energy and raw and semifinished materials. The sum total of the additional values of all industries and trades constitutes the gross domestic product.

4. The industry of the state-owned economic sector denotes state-owned industrial enterprises, which include (wholly) state-owned enterprises, joint ventures, cooperative enterprises, and joint-stock enterprises.

5. The percentage of the budgets for research and experimental development (R&D) in the gross domestic product refers to the percentage expenditures for basic research, applied research, and experimental development accounts for in the gross domestic product. The percentage reflects the size of investment made by society in science and technology.

### Central-South Region

**Guangzhou CPPCC Holds Third Meeting 8 Mar**  
OW0903134995 Beijing XINHUA in English 1149  
GMT 9 Mar 95

[FBIS Transcribed Text] Guangzhou, March 9 (XINHUA)—The Eighth Guangzhou Municipal Committee of the Chinese People's Political Consultative Conference (CPPCC) held its third meeting here Wednesday [8 March].

Over 461 CPPCC deputies, including 45 from Hong Kong and Macao, attended the opening ceremony.

Wu Mengzhao, chairman of the Eighth Municipal CPPCC Committee, told the session that his committee has handled all 318 motions it received last year.

Members of the special committees made inquiries into 35 topics and wrote 29 reports and 13 proposals.

Taking advantage of its adjacency to Hong Kong, and having wide contact with overseas Chinese, the local CPPCC committee promoted Sino-foreign cooperation in various fields last year, Wu said.

It also played host to 1,500 visitors from Hong Kong, Macao, Taiwan, and foreign countries.

### North Region

#### Beijing Women Called To Greet World Conference

OW0903140595 Beijing XINHUA in English 1333  
GMT 9 Mar 95

[FBIS Transcribed Text] Beijing, March 9 (XINHUA) - A joint proposal has recently been put forth calling on women in Beijing to take action in greeting the upcoming Fourth World Women's Conference, scheduled for September here this year.

The proposal was initiated by the female members of the Beijing Municipal Committee of the Chinese People's Political Consultative Conference (CPPCC), the eight non-communist parties, and the city's Federation of Industry and Commerce.

Liang Wenqian, one of the initiators, said that the forthcoming world women's conference provides China, and especially the people of Beijing, an opportunity to display their grace to the outside world. Beijing women should feel duty-bound to play host and make the women's conference a success.

The capital city now has five million women, 49.2 per cent of its total population. About 1.82 million Beijing women are employed in all trades, ranging from building construction and business to health, education, and public service.

Recently, more and more women can be found participating in governmental and political affairs. One out of four deputies to the Municipal People's Congress is now a woman, and the female members of the Municipal Committee of the CPPCC accounted for one quarter of the total membership.

#### Hebei Secretary on Honest Administration

SK1003021395 Shijiazhuang HEBEI RIBAO in Chinese 18 Feb 95 pp 1,3

[“Excerpts” of speech by Cheng Weigao, secretary of the Hebei Provincial CPC Committee, at the provincial

work conference on building party style and administrative honesty held in Shijiazhuang on 17 February: “Mobilize the Entire Party To Firmly Implement This Work and Further Promote the In-Depth Anticorruption Struggle”]

[FBIS Translated Text] The central tasks for the province's building of party style and administrative honesty in 1995 are to comprehensively implement the demands of this year's anticorruption struggle put forward by the party Central Committee and the plans of the central Discipline Inspection Commission; to continuously strengthen efforts in building party work style and administrative honesty; and to unswervingly promote the in-depth anticorruption struggle. For the construction of party style and honest administration in 1995, the provincial party committee called for efforts to make new progress in supervising the work of keeping party-member leading cadres clean and self-disciplined, to make new breakthroughs in investigating and handling cases in violation of law and discipline, and to make new achievements in stopping unhealthy tendencies.

1. We should correctly evaluate Hebei's achievements in the anticorruption struggle during 1994, and further recognize the importance and urgency of deeply conducting the anticorruption struggle.

In 1994, in line with the work plan of the central authorities and Hebei's reality, we unswervingly promoted the anticorruption struggle and made new achievements at a certain stage in the construction of party style and honest administration. This played an important role in guaranteeing the smooth progress of the entire province's reform and opening up; the sustained, rapid, and healthy development of economic construction; and social stability. Through work in 1994 to combine the efforts of the party and government, make each level take responsibility for the next level, and grasp implementation work at each level, the responsibility system of building party style and honest administration has been basically carried out, and the situation of making the entire party attend to party style has been further formed. The honest and self-disciplined consciousness of leading cadres at all levels, especially more than 20,000 cadres at and above the county and section level, has been further strengthened. Discipline inspection, supervision, and procuratorial organs across the province have maintained close cooperation and have investigated and handled a batch of major and serious cases. The work of checking unhealthy tendencies has been unceasingly broadened, developed, and deepened. Various levels and all departments have persisted in adopting not only stopgap measures but also radical measures; have devoted their efforts to building laws and regulations on administrative honesty as well as the building of systems; have further strengthened efforts in effectively supervising and restricting the operation of power organs; and have continuously practiced the system of “making public the systems and results of handling affairs of government organizations and

accepting supervision from the masses" in an effort to gradually institutionalize and standardize the entire province's anticorruption struggle.

While affirming the achievements of the anticorruption struggle, we should soberly notice that compared with the demands of the party Central Committee, the hopes of the masses and people, and the problems that actually exist, our work still has a long way to go. It is mainly shown in the following aspects: In honesty and self-discipline, some leading cadres fail to strictly set demands on themselves and make sufficient efforts to check themselves. They do check more obvious and general problems, but fear to touch deep-seated and more important problems. Some leading cadres even persist in their own ways, continuously violating regulations despite repeated orders. Though some cadres have checked and criticized themselves, they have failed to resolutely and consciously make corrections. In investigating and handling major and serious cases, some important cases have not been grasped. Though some have been grasped, efforts in grasping them are not firm and relentless; the efforts in vigorously pursuing, fiercely mauling, and deeply investigating them are not enough. Greater attention has been paid to investigating and handling economic crimes, but resolute efforts have not been made to investigate and handle cases of political discipline, bureaucracy, and dereliction of duty, including cases which cause serious damage to the party's undertakings owing to the appointment of bad people or cadres who neglect their duties. There are major obstructions in investigating and handling some cases. Some personnel or leaders in charge of handling cases have paid attention to human feelings, relationships, and backstage supporters, and are afraid to offend people and suffer losses, thus seriously affecting the progress of handling major and appalling cases. In checking unhealthy tendencies, some cadres are not very conscientious and resolute; some practice local protectionism or departmental protectionism; and some fail to make enough efforts and adopt a firm stand to grasp the reappearance of unhealthy tendencies and to grasp them repeatedly. As a result, some unhealthy tendencies reappear frequently.

2. The key to exerting great efforts to deepen the anti-corruption struggle is to make leading cadres at all levels enhance their recognition and strengthen their sense of responsibility.

One important reason for the small achievement in some areas and units in the anticorruption struggle lies in problems with the leaders there. Quite a few leaders have failed to enhance their understanding of the anticorruption struggle, to exert sufficient efforts toward it, and to adopt effective measures. Some leading comrades always consciously or unconsciously set reform, opening up, and economic construction against the anticorruption struggle, and hold that if too much attention is paid to the anticorruption struggle, then reform, opening up, economic development, and the enthusiasm of cadres

will be affected. Some cadres worry that if they relentlessly grasp anticorruption, they will be criticized as "leftist," "rigid," or "not open." Some even think that if the economy is pushed forward, having some problems in party style and honest administration does not matter. These wrong ideological recognitions make some leading cadres always speak a lot but do little in the anticorruption struggle, making them unable to sincerely and wholeheartedly grasp the anticorruption struggle. This situation is very bad.

Which actually affects reform, development, and stability: corruption or anticorruption? Comrade Deng Xiaoping has clearly explained this issue in many of his important speeches given since reform and opening up. Fundamentally speaking, the way to eliminate corruption and check unhealthy tendencies is to deepen reform and develop the economy. However, in the course of reform, opening up, and economic development, if we just let negative and corrupt situations grow and spread, it is impossible to guarantee the smooth progress of reform and the healthy development of the economy. Even if we push the economy forward at a moment, it will finally deteriorate and lead to a failure in all our reform and opening up undertakings. Corruption hinders reform and corrodes the economy. Thus, only by fighting corruption can we offer support and guarantees for reform, opening up, and economic development.

Practices in recent years and the facts have clearly shown that anticorruption does not affect reform, development, and stability; on the contrary, the corrupt situation sabotages reform and development and affects social stability. In recent years, Hebei Province has increased its strength in the anticorruption struggle annually in line with the central unified plans; has completely changed its situation in which economic construction has lagged behind the national average development level for a long time; and has succeeded in making its growth rate exceed the national average level for three years running. In 1994, the number of various law and discipline violation cases investigated and handled by our province increased by 40.9 percent over 1993; economic construction still maintained a trend of sustained, rapid, and healthy development. The realization of the objective of quadrupling the gross national product six years ahead of schedule is the best illustration. We can see quite a few areas, counties, and districts in our province that have witnessed rapid reform, opening up, and economic development thanks to their good party style, the good work style of cadres, and their concentrated energy and earnest efforts to do practical things. Some areas, counties, and districts cannot successfully carry out reform and opening up, and let their economic construction remain backward for a long time because their cadres are corrupt, the unhealthy trends in recruiting personnel are serious, and the work style of the party and cadre contingent is bad. The results have clearly shown that the more we deepen reform and opening up and develop economic construction, the more we should make unremitting efforts to relentlessly grasp the anticorruption

struggle. If we do not firmly grasp the anticorruption struggle; if we allow corruption, theft, and bribery to spread; and if we allow blackmail and entrapment to run rampant, not only will party style, the general mood of society, and economic construction become worse, but foreign businessmen will be afraid to come here to negotiate projects and conduct business, and there will be no way of maintaining stability. Hence, reform and development are in complete accord with the anticorruption struggle. Reform and development objectively demand strengthening the anticorruption struggle, and anticorruption offers guarantees for the healthy development of reform and social stability. If leading cadres at all levels really want to carry out reform and opening up, develop the economy, and maintain social stability, they should grasp the anticorruption struggle; attend to the policy of taking a two-handed approach in work, being tough with both; and unceasingly push forward the various tasks of reform, development, and stability.

**3. Party committees at all levels should strengthen ideological and political leadership over party members and cadres, especially leading cadres.**

Strengthening ideological and political construction and enhancing the ideological and political quality of the broad masses of party members and cadres are the definitions which Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics should have. Reform and opening up is a profound revolution. The revolution not only provides a strong motivation for building socialism with Chinese characteristics, but also instills new energy into party building. Owing that the decadent ideology and culture of the western capitalist class—an ideology and culture of money worshipping, extreme individualism, placing profit above everything, and harming others to benefit oneself—takes advantage of this opportunity to break in, and that the decadent ideology and culture of the exploiting class left over by the old society reappears at weak points, it makes our party building face many new situations and puts forward many new tests and challenges for the broad masses of party members and cadres, especially party-member leading cadres. The majority of party members and cadres, especially leading cadres, have always borne in mind that they are Communists and public servants of the people; have persisted in being clean, upright, and honest; and have served the people wholeheartedly. However, a few party members and cadres, including some party-member leading cadres, have joined the party to win government posts and obtain power and benefits in official circles. If these people take a certain post, they will act as lords and masters, seek privileges, make deals between power and money, engage in "debauchery," go in for ostentation and extravagance, and grovel at the feet of money and beauty. Very few cadres follow the practices of the underground society and of the Great Cultural Revolution, dare to do things without fear, and barter away the party's principles and the interests of the country and people. If we do not pay

great attention to this situation, strengthen the ideological and political construction of party members and cadres, and strengthen the supervision of party members and cadres, some members and cadres with weak wills who fail to pay attention to their own ideological transformation will lose the true qualities of party members; depart from the party's purpose; engage in corruption; and become obstacles to reform, opening up, and economic construction and will become social moths.

In recent years, party committees at all levels in our province have done much work in strengthening the ideological and political construction of the contingents of party-member cadres. However, judging from the overall situation at present, this is still a very weak aspect. Some areas and units, especially some economic and vocational departments, have a serious trend of engrossing themselves in economic and vocational work while belittling or neglecting ideological and political work. Some units with a biased and distorted guiding ideology only emphasize market economic laws, avoid mentioning Communist ideals and morals, and are even afraid to stress the importance of being an honest and upright person. Consequently, nobody pays attention to good people and good deeds or bothers to check unhealthy tendencies in society; public feelings and discipline are slack; and all kinds of problems occur. These are all directly caused by the neglect of ideological and political construction in these areas and units. Being party committee members and the party's leading cadres, the priority of carrying out the leadership responsibility is to grasp the contingents and strengthen the ideological and political leadership. Leaders will never be politically qualified if they fail to grasp ideological and political leadership as well as the building of contingents and work style, and if they dare not struggle against unhealthy tendencies. If corrupt elements are allowed to act wantonly and wildly in defiance of the law and recklessly engage in corruption, bribery, and entrapment, this shows that the leaders there have become rigid bureaucrats who neglect their duties.

The most fundamental way to strengthen ideological and political construction and enhance the ideological and political quality of contingents of cadres and party members is to resolve the outlook on the world and life. By making our party members and cadres firmly establish the proletarian scientific outlook on the world and life, only then can we guarantee that they can keep a sober mind, distinguish right from wrong, make clear distinctions about various incorrect ideological and harmful trends, and resolutely struggle under any complicated situation and environment. In the course of strengthening ideological and political construction, party committees at all levels should always grasp this fundamental issue without slackening their efforts. First, we should adopt various effective ways, lead and organize the broad masses of party members and cadres to deeply study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and resudy the party Constitution, and strive to use the theory

and party Constitution to arm their minds and guide their actions. Second, in accordance with the demands of Comrade Jiang Zemin, and under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, we should pay attention to grasping the education on Communist ideals and convictions in line with the reality of the anticorruption struggle, and should strengthen the education of regarding serving the people wholeheartedly as the purpose and of making arduous struggle through thrift and hard work. Presently, we should make special efforts to help party members and cadres correctly handle the relationships between blazing new trials in the course of reform and inheriting fine traditions, between assimilating and boycotting in the course of opening up to the outside world, and between becoming prosperous first and reaching common prosperity in an effort to enhance their consciousness of comprehensively, correctly, and firmly carrying out the party's basic line and of striving to be qualified Communists during the new period. Various party members and cadres, especially party-member leading cadres, should well handle the relationship between power, fame, and position; between power and money; and between power and human feelings. They should always bear in mind that their power is vested by the people and can only be used to serve the people, and cannot be used to gain profits for themselves and their relatives, the personnel working by their side, or their own small groups. They should firmly establish the viewpoint of serving the people wholeheartedly. While doing various tasks and handling various affairs, we must persist in regarding whether the masses and the people agree with it and whether they support, are pleased with, and promise to do it as the basic starting and resting point. They should persist in managing various undertakings through hard work and thrift; should consciously oppose and boycott any kind of high consumption and enjoyment; should oppose and boycott the spendthrift style of spending and wasting the state's money and property; and should establish the spirit of engaging in arduous struggle, building the state through hard work and thrift, rousing themselves for vigorous efforts to make the country prosperous, and making selfless dedication.

While making special efforts to grasp ideological and political construction, we should further strengthen the tasks of dealing stern blows to and handling law-breaking activities and crimes, of resolutely and conscientiously checking the unhealthy tendencies in trades, and of further strengthening the legal system and the building of systems. Owing that the four tasks are closely related and complementary, they should be organically combined together in an effort to make them promote each other and unceasingly deepen the anticorruption struggle.

4. We should uphold the principle of strictly managing the party, and should carry out various anticorruption tasks in places where needed.

In order to strengthen the construction of party style and honest administration as well as deeply conduct the

anticorruption struggle, we should uphold the policy of strictly managing the party. Judging from the current situation, the defect of being too generous and soft-handed is still the main tendency. Many problems are superficially, not thoroughly, investigated and are lightly, not severely, handled. Some places and departments seriously practice protectionism, hide cases without reporting them, and pigeonhole cases without investigating them. Some leaders still sympathize, tolerate, shield, and indulge members to violate law and discipline; some leaders avoid important points and dwell on the trivial while dealing with major and serious cases; and some leaders just investigate the major and serious cases without handling them. The situation is extremely harmful and cannot be tolerated by the party's discipline. Being kind and soft-handed to corrupt elements is an offense to the people. In the major matter of principle, party committees at all levels and the party's leading cadres should have a clear-cut stand, should adopt a resolute attitude, and should realistically prevent and overcome the tendency of not strictly managing the party.

We should continuously uphold the leadership pattern of combining the efforts of the party and government. Anticorruption work is a major issue of the entire party, and thus, not only party committees and discipline inspection and supervision departments, but also various departments of the party committees and governments, should grasp it. We should not only grasp the anticorruption struggle in our own departments, but also act in line with the overall tasks and demands of the anticorruption struggle while grasping the management work of various trades and organs in charge of our departments. No matter which level or department the leaders belong to, and no matter which work the leaders are in charge of, opposing corruption and grasping the construction of honest administration is an important bounden duty. If departments or leaders fail to grasp and share the responsibility for the task under any excuse, connive with the corrupt situation, slacken their efforts in the anticorruption struggle, or fail to cooperate with and support relevant anticorruption work, not only should they be criticized, but the leaders should be called to account in line with the end results.

We should continuously carry out the strict responsibility system. This is a successful experience which we have gained for many years and should uphold to the end. This year, the provincial party committee and provincial government will not change the organizational leadership of the entire anticorruption struggle and the division of labor of relevant departments, and will continuously define the specific work and responsibility for various leading comrades and relevant departments directly under the province. Various cities and prefectures should follow this way. Through further establishing and perfecting the strict responsibility system, we should share the various tasks of keeping leading cadres honest and self-disciplined; of investigating and handling cases; and of checking unhealthy

tendencies at each level and of carrying out the tasks one by one at various levels, departments, and units.

For some time to come, any district, department, and unit that fails to devote its efforts to the anticorruption work; fails to investigate cases, report problems, and correct mistakes; and creates great losses to the undertakings of the party and people, will have the responsibility of relevant leaders called to account in strict accordance with the stipulations of the responsibility system. We should include this practice into the important content for the incentive and restraint of leading cadres at various levels, and should resolutely carry out the policy of rewarding and punishing those who deserve it.

We should strengthen the leadership of discipline inspection and supervision organs and devote great efforts to strengthening the self construction of discipline inspection and supervision organs. Party committees and governments at all levels should not only resolutely support the work of discipline inspection and supervision departments and do their best to help them resolve some realistic problems, but should also pay great attention to helping them strengthen their ideological and political construction and unceasingly enhance their fighting strength. Party committees and governments at all levels should give full play to the role of discipline inspection and supervision cadres as well as pay attention to caring for them in terms of politics, work, and life. Discipline inspection and supervision organs should be honest and upright, have strong party spirit, serve the party's basic line, and avoid becoming people's tools for carrying out factionalism. Great efforts should be devoted to enhancing political and professional qualities. Discipline inspection and supervision departments across the province should extensively and deeply conduct the activity of learning from Comrade Jiang Ruiseng, the "anticorruption hero"; be honest and just; uphold principles; be upright and never stoop to flattery; be impartial and uncorrupt; handle matters impartially; dare to resist the "trend of pleading for other people"; and bravely break with the "relations network." They should have no fear of threat, slander, and retaliation; should unceasingly enhance the skills of investigating and handling cases; should especially strengthen the ability to achieve breakthroughs in major and serious cases; should strive to build a contingent of discipline inspection and supervision cadres with a strong party spirit, tough work style, and proficient professional skill; and should establish a good image of discipline inspection and supervision organs and of their cadre contingents.

### Northeast Region

#### Heilongjiang's Namelist of Personnel Changes

SK0903234895 Harbin HEILONGJIANG RIBAO in Chinese 20 Feb 95 p 1

[FBIS Translated Text] The following is a namelist of personnel appointments and removals discussed and

adopted at the 14th standing committee meeting of the eighth Heilongjiang Provincial people's congress on 19 February:

He Chongxue was removed from his post as vice chairman of the Songhuajiang prefectoral work committee of the provincial people's congress standing committee.

Zhang Furu was removed from his post as chairman of the provincial planning commission.

Zhang Xueqian was removed from his post as director of the provincial Overseas Chinese Affairs office.

Zhang Wenke (1728 2429 4430) was appointed chairman of the provincial planning commission; and Han Guangru (7281 1639 0320) will concurrently hold the post of director of the provincial overseas Chinese office.

#### Jilin Provincial People's Congress Session Opens

SK1003064295 Changchun JILIN RIBAO in Chinese 18 Feb 95 p 1

[By reporter Yu Shui (0060 3055): "The Third Session of the Eighth Provincial People's Congress Ceremoniously Opens"]

[FBIS Translated Excerpt] The third session of the Eighth Jilin Provincial People's Congress ceremoniously opened at the provincial guesthouse on the morning of 17 February.

This congress session was held in the new situation in which our province has basically fulfilled the task of pushing the economy to a new stage in three years, and when people across the province are working hard with full confidence to realize the objective proposed by the fourth session of the sixth provincial party committee on pushing the economy to a new stage and basically attaining the level of moderate prosperity by 1997.

He Zhukang, Gu Changchun, Zhang Dejiang, Wang Jinshan, Zhang Yueqi, Chen Zhenkang, Ke Muyun, Ren Junjie, Shang Deling, Zeng Xiaozhen, Yuan Boxiong, Xu Ruren, and Agula were the executive chairmen of the congress session held on 17 February. [passage omitted]

The congress session was declared open at 0830 in the morning by He Zhukang, executive chairman of the congress and executive member of the congress Presidium. All the people stood up. The congress site resounded with the solemn and magnificent singing of the national anthem of the PRC.

On behalf of the Jilin provincial government, Governor Gao Yan delivered the government work report at the congress. The report states: In accordance with the overall guiding ideology for this year's provincial work defined by the fourth plenary session of the sixth provincial party committee, in 1995 the provincial government should carry out its work in close connection with

the general tasks of the entire party and entire country; further properly handle the relations between reform, development, and stability; strengthen macroeconomic regulation and control in line with the demand for establishing the socialist market economic system; curb inflation; strengthen the foundation status of agriculture; deepen various reforms, with reforming state-owned enterprises as the priority; pay attention to structural readjustment; promote scientific and technological progress; exert efforts to enhance the quality and efficiency of economic growth; and realize a sustained, rapid, and sound national economic development and comprehensive social progress. [passage omitted]

The Eighth<sup>th</sup> Jilin Provincial People's Congress actually has 583 deputies; however, only 482 deputies attended the congress held on the morning of 17 February. The deputies conscientiously listened to reports. The congress site resounded with endless enthusiastic applause.

Leading comrades attending the opening session and taking seats on the rostrum were Liu Yunzhao, Liu Xiling, Su Ning, Feng Ximing, Zhou Zaikang, Wang Yunkun, Xu Zhongtian, Liu Changfu, Yan Haipeng, Jing Zhaixin, Wang Guofa, Quan Zhuzhu, Wei Minxue, Liu Shuying, Yang Qingxiang, Li Xiangwu, Fang Jianyu, Zhang Tienan, Hu Houjun, Li Guotai, Yan Hongchen, Wu Shiduo, Li Hongchang, Liang Zhiwen, Dong Shanshan, Liu Yuchang, Zhou Laming, and Li Xinji.

Former provincial-level veteran comrades—including Li Diping, Yu Sheng, Yu Ke, Zhang Shiying, Song Jiehan, Zhang Fengqi, Huo Mingguang, Xiao Chun, Yang Zhan-tao, Chen Hong, Li Deming, Wang Shuren, Wang Jiren, Cheng Shengsan, Cha Minqiao, Xin Cheng, Gao Wen, Luo Yuejia, Jin Minghan, Wang Hongmo, and Tian Renyong—also attended the opening session and were seated on the rostrum.

Comrade Gao Chao, deputy of the Eighth National People's Congress, who was sent by the central authorities to attend the elections in the Jilin provincial electoral ward, was also invited to attend the congress and was seated on the rostrum.

Members of the congress Presidium and responsible comrades of various democratic parties, as well as of the Federation of Industry and Commerce, were seated on the rostrum.

Members of the provincial people's congress and responsible comrades of other relevant organs and mass organizations attended the congress session as observers.

#### Liaoning People's Congress Session Opens

SK0903135095 Shenyang LIAONING RIBAO in Chinese 21 Feb 95 p 1

[By reporter Cui Tiemin (1508 6993 3046): "The Third Session of the Eighth Provincial People's Congress Opens"]

[FBIS Translated Excerpt] The third session of the eighth Liaoning Provincial people's congress ceremoniously opened in Shenyang on 20 February.

This congress session was an important one held during the critical moment when our province is conducting reform, opening up, and the modernization drive. This session will take Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line as the guiding principles, conscientiously implement the guidelines of the third and fourth plenary sessions of the 14th CPC Central Committee, the central economic work conference, and the 10th session of the seventh provincial party committee, sum up experience, clearly understand the situation, unify thinking, clarify the tasks, and mobilize the people of various nationalities to further emancipate thinking, enhance spirit, work with one heart and one mind, work hard for the prosperity of the country, engage in arduous struggle, strive to fulfill all of this year's tasks, and strive to attain the grand objective of realizing the "second pioneering program."

The Liaoning people's theater was filled with a solemn and enthusiastic atmosphere on the afternoon of 20 February. The national emblem of the PRC was hung highly on the upper part of the rostrum. Six hundred and sixty deputies of various nationalities from various localities and trades gathered there, bringing along with them the heavy trust of the 40 million people throughout the province.

Gu Jinchi, Quan Shuren, Cao Bochun, Wang Huaiyuan, Zhang Guoguang, Yu Xiling, Chen Shuzhi, Feng Yousong, Bi Xizhen, Gao Jizhong, Qi Zheng, Xu Ting-sheng, and Hu Jiyan were executive chairmen of the congress session.

Quan Shuren, chairman of the provincial people's congress standing committee, presided over the session.

Provincial leaders and veteran comrades, including Wen Shizhen, Guo Feng Song Li, Xu Shaofu, Wang Guangzhong, Sun Qi, Shang Wen, Wang Chonglu, Li Guozhong, Xu Wencai, Yu Junbo, Liu Zhenhua, Xiao Zuofu, Hu Yimin, Ge Xifan, Chen Yiguang, Xie Huantian, Yang kebing, Zhao Shi, Liu Wen, Li Jun, Cong Zhenglong, Guo Tingbiao, Zhang Rongming, Wang Jiyuan, Tan Liren, Liu Shuming, Lin Sheng, Yue Weichun, Wang Shuzhi, Gao Qingzhou, Zhang Chenglun, Gong Shiping, Wei Zhi, Zhang Yan, Shen Xianhui, Li Qisheng, Zhang Huanwen, and Yang Yeqin attended the congress session as voting or nonvoting members.

All members attending the third session of the seventh provincial committee of the Chinese People's Political Consultative Conference also attended the session as nonvoting members.

Quan Shuren announced the congress session open at 1430. The congress site resounded with the PRC national anthem.

Acting Governor Wen Shizhen delivered a "government work report." In his one hour and 30 minute report, Wen Shizhen evaluated our province's reform and development achievements during the past year in a fact-seeking manner, objectively analyzed the current existing difficulties and problems, and made arrangements for this year's provincial work. [passage omitted]

### Liaoning's Gu Urges Invigorating Enterprises

SK1003055695 Shenyang LIAONING RIBAO in Chinese 23 Feb 95 p 1

[By reporter Liu Jingkui (0491 2529 7608): "To Foster a Superior Industry, the Key Lies in Creating Competitive Products"]

[FBIS Translated Excerpt] The month-long general discussion on rapidly orienting the province to the orbit of the socialist market economy has not only evoked province-wide repercussions, but also garnered deep concern of the CPC Central Committee as well as domestic and outside places. Liaoning's methods to invigorate large and medium state-owned enterprises and to carry out the strategy of making an export-oriented economy bring along the entire economic development will have a tremendous impact on Liaoning as well as on the entire country. On the occasion of the convocation of the province's people's congress session, the Propaganda Department of the provincial party committee, the press office of the provincial government, and Hong Kong's TA KONG PAO jointly held a forum on the afternoon of 22 February to discuss how to rapidly orient large and medium state-owned enterprises to a market economy.

This forum attracted high attention from the provincial party committee, the provincial people's congress Standing Committee, and the provincial government. Attending the forum were provincial leaders Gu Jinchi, Quan Shuren, Bi Xizhen, and Guo Tingbiao as well as leaders of departments concerned. Most of the 24 enterprise managers and plant directors attending this forum were deputies to the provincial people's congress. The enterprises run by them are very influential in the province and in other places. Mr. Zeng Decheng [as transliterated], chief editor of Hong Kong's TA KONG PAO, who attended and was involved in organizing this forum, made a special trip to Liaoning from Hong Kong to learn about how the province has invigorated large and medium enterprises through in-depth reform as well as carried out the strategy of making the export-oriented economy bring along the entire economic development. The forum was presided over by Wang Conglu, Standing Committee member of the provincial party committee and director of the Propaganda Department under the provincial party committee.

At the forum, Gu Jinchi, secretary of the provincial party committee, took the floor first. He said: This year, the province will concentrate on emancipating the mind and readjusting the structure. To invigorate large and medium enterprises, we must ideologically shift from the

orbit of a planned economy to that of a market economy. Without an emancipated mind, we will meet obstacles in experimenting with the modern enterprise system and in resolving the numerous problems currently facing enterprises. Therefore, we should effect a universal emancipation of the mind through general discussions. To emancipate the mind, the aim lies in the invigoration of large and medium enterprises; while fostering superior industries, the key lies in the efforts of developing competitive products and a number of advanced enterprises that play a leading role. The results of the current general discussion should be used to expedite the readjustment of industrial and product structures. We should fully exploit our advantages as rapidly as possible with limited financial and material resources. Now, the emphasis should be placed on changing government functions in line with market demands to help enterprises enter the market. By changing government functions, enterprises should be enabled to exercise autonomy in an even better manner. For enterprises themselves, they should embark on a market economy in concepts and in work, including work on mechanisms, renovation, and development.

Mr. Zeng Decheng said at the forum: Deepening the reform of state-owned enterprises is the focus of national economic work this year. Our compatriots in Hong Kong, Macao, and Taiwan as well as personages of economic circles of various countries in the world are all concerned with the development situation in the PRC's large and medium enterprises. As a province with a concentration of large and medium state-owned enterprises, Liaoning made contributions to developing China's economy in the past and will continue to occupy a strategic and important position in promoting the practice of reform and in invigorating the national economy in the future. In recent years, through positive activities on attracting foreign investment, the provincial government and various departments concerned in Liaoning have enabled investors in Hong Kong and other overseas locations to understand that many enterprises in Liaoning belong to professions under development by the state on a priority basis, and Liaoning will be able to exploit its tremendous potentials if its large and medium state-owned enterprises are invigorated. Mr. Zeng Decheng also expressed his willingness to serve as a link to attract foreign investment for Liaoning and for Liaoning's enterprises. [passage omitted]

### Northwest Region

#### 1994 Xinjiang Statistical Communique

OW0603134995 Urumqi XINJIANG RIBAO in Chinese 17 Feb 95 p 7

[Xinjiang Uygur Autonomous Region's 1994 National Economic and Social Development Statistical Communique prepared by Xinjiang Uygur Autonomous Regional Statistical Bureau and released on 10 February 1995]

[FBIS Translated Text] In 1994, the autonomous regional party committee and government led the people of all nationalities in Xinjiang to conscientiously implement the party's policy of "seizing the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability" and to enhance and improve macroeconomic regulation and control, which resulted in further bringing into play the role of market mechanism, in improving the macroeconomic environment and the relationship between market supply and demand, and in making major progress in reform, opening up, economic construction, and various social undertakings. Initial statistics show that the GDP value for the year was 63.2 billion yuan, up 10.9 percent from the previous year; of this, the increase in the added value of tertiary industries was 19.8 billion yuan, an increase of 14.9 percent, accounting for 31.3 percent of the gross GDP value. Major economic operation problems were: The rate of price increases remained high, inflationary pressure intensified, industry growth was sluggish, industry efficiency was not high, agriculture's hidden problems remained, finance gaps widened, and fund management experienced difficulties.

### 1. Agriculture

In 1994, Xinjiang's agriculture moved toward a market economy in full force. The market economy's role strengthened markedly; resources deployment gradually became rationalized, efforts to readjust rural industry scored many breakthroughs, and major crops' acreage showed the trend of "three increases and one decrease," namely, while acreage for cotton, beets, and edible oil crops increased, acreage for grain growing declined. Except for grain, output of all major agricultural products registered big growth, with the output of cotton and edible oil crops setting an all-time record, and the region's gross output and per-acre and per-capita yield of cotton ranked top in the nation. Work on the "vegetable basket" project produced initial results. Incomes of farmers and herdsmen markedly increased. The rural economy thrived.

The gross output value of agriculture, forestry, and fishery for the year was 30.03 billion yuan (19.79 billion yuan if calculated in 1990 fixed prices), up 9 percent from the previous year. Of this, agricultural output value was 22.74 billion yuan, an increase of 9 percent; forestry output value was 590 million yuan, a rise of 10.4 percent; animal husbandry output value was 6.5 billion yuan, a jump of 8.4 percent; and fishery output value was 200 million yuan, up 16.7 percent. Agricultural economic efficiency showed a marked rise. The increase in value for agriculture, forestry, and fishery for the entire year was 17.7 billion yuan, an increase of 8 percent over the previous year.

Village and township enterprises developed rapidly. The gross output value of village and township enterprises was 10.2 billion yuan for the year, an increase of 54.2 percent over the previous year. Business operation

income was 9.45 billion yuan, up 42.7 percent; realized net profit was 677 million yuan, a rise of 19.7 percent; and taxes delivered to the state was 422 million yuan, up 36.4 percent, thus over fulfilling the set targets.

#### Output of Major Agricultural Products

Category	1994	Percentage increase over previous year
Grain	6,661,700 tonnes	-7.5
of which cereal	6,428,900 tonnes	-8.6
bean	232,800 tonnes	38.6
Edible oil	507,600 tonnes	37.1
Rapeseed	188,000 tonnes	48.0
Cotton	825,000 tonnes	21.3
Beet	2,992,400 tonnes	26.3
Fruit	1,052,000 tonnes	5.4

Forestry production achieved new progress. Afforested areas in the region totalled 56,670 hectares, up 0.4 percent from the previous year. The survival rate of new seedlings was also higher than last year.

Animal husbandry production experienced its best development ever. Animal husbandry rapidly developed in farming areas. The number of livestock increased rapidly and animal husbandry product output witnessed great growth.

#### Output of Major Livestock Products and Number of Livestock

Category	1994	Percentage increase over previous year
Total meat output	428,100 tonnes	11.8
of which: pork	376,900 tonnes	10.4
Milk	407,500 tonnes	10.0
Wool	52,400 tonnes	3.1
Cattle hides	745,100 pieces	8.2
Sheep hides	10,606,400 pieces	10.3
slaughtered livestock	15,343,400 head	9.8
Number of livestock at year end	35,990,100 head	2.4

Fishery production reached new heights. Aquaculture output for the year was 35,300 tonnes, an increase of 22.6 percent.

Agricultural production conditions were further improved. By the end of 1994, the region boasted a total farm machinery power of 6,252,700 kw, a rise of 2.8 percent over the previous year; 161,200 small tractors, up 9.1 percent; 571,700 kw of irrigation machinery, up 3.1 percent; the entire year's application of chemical fertilizer (converted to net amount) was 573,000 tonnes, up 13.2 percent; and rural power consumption was 1.435 billion kw/hour, up 4.2 percent.

Major problems in agricultural production were: Farmers lost enthusiasm for growing grain; grain production was on the slide; investment in farming was insufficient; farming as the foundation of the nation was weakened; and farming lacked reserve force for growth.

## 2. Industry and Construction Industry

In 1994, Xinjiang's industrial departments stepped up the pace of various reform measures, adopted many measures, overcame lots of difficulties, and scored some results despite suffering from a sluggish demand for building materials; a lack of supply of some raw materials; restraints imposed by capital, transportation, and market; increasing enterprise burdens; and a serious lack of capacity for self-development. The region realized 58.383 billion yuan (35.685 billion yuan at fixed prices in 1990) of gross industrial output value, up 9.9 percent from the previous year. The state-owned economy was 44.89 billion yuan, an increase of 7.3 percent; the collective economy was 11.77 billion yuan, up 9 percent; the private economy was 58 million yuan, a 2.4 times increase; the shareholding economy was 326 million yuan, an increase of 3.9 times; the foreign, Hong Kong, Macao, and Taiwan-invested economy was 836 million yuan, a rise of 15.2 percent; and the individual economy was 1.844 billion yuan, a jump of 51.3 percent. The output value of light industry was 25.46 billion yuan, an increase of 11.8 percent; and of heavy industry, 33.337 billion yuan, up 8.1 percent. The output value of local industry was 29.648 billion yuan, a rise of 11.9 percent; the output value of central government-owned enterprises was 19.455 billion yuan, up 2.3 percent; and the output value generated by enterprises under the Xinjiang Production and Construction Corps was 9.28 billion yuan, representing an increase of 7.6 percent. The region's industry realized an increase in value of 19.769 billion yuan, up 8.9 percent.

The convergence between production and marketing of industrial products was basically normal. The sale amount of industry at the village level and higher was 51.687 billion yuan; its industrial production and marketing rate was 95.3 percent, down 1.6 percent from the previous year. The production and marketing rate for light industry was 95.0 percent and for heavy industry it was 95.5 percent, down 2.3 percent and 1.2 percent, respectively, from the previous year.

The vitality of large and medium enterprises was further enhanced. The region's 177 large and medium enterprises realized a total industrial output value of 31.181 billion yuan, accounting for 53.4 percent of total industrial output value, up 2.4 percent from the previous year. The production and marketing rate of large and medium enterprise industrial products reached 97.5 percent, 2.2 percent higher than the rest of industry.

Thanks to adopting the name brand product strategy, developing advantageous and competitive sectors, and adopting a number of policies and measures to ensure

the production of marketable products, scale-down production of flat-sale products, and restricted production of unmarketable products, efforts in readjusting the industrial product structure achieved some progress. Of 38 major industrial sectors, 29 showed growth as compared with the previous year, accounting for 76.3 percent. Cotton spinning, plastics, paper-making, nonferrous mining, and dressing industries experienced a growth of more than 25 percent. Growth of instrument, meter, ordinary machinery, transportation equipment, culture, education, and sporting goods industries was down over 20 percent. Of 100 major comparable products of the previous year, 64 experienced growth. Textiles, foodstuffs, products in support of agriculture, and chemical products showed rapid growth; some daily consumption goods (like synthetic detergents and enamel and ceramic products) and energy-related products showed growth; growth of building materials, electromechanical products, and some light industry products with sluggish sales and weak competitiveness (like bicycles, cassette recorders, TVs, shoes, and crude salt) were down. The contradiction of product structure unsuited to market requirements was still very conspicuous.

### Major Industrial Products and Their Output

Category	1994	Percentage increase over previous year
Yarn	199,400 tonnes	59.0
Cloth	287.5292 million meters	23.7
Flannel	13.147 million meters	7.0
Woolen blankets	167,500 pieces	-32.3
Silk fabrics	416,320 meters	9.7
Paper, cardboard	144,300 tonnes	6.9
Sugar	282,300 tonnes	-15.8
Salt	369,800 tonnes	-48.3
Wine	210,200 tonnes	10.5
Canned food	58,900 tonnes	33.3
Dairy products	9,400 tonnes	3.3
Cigarettes	128,000 cases	-1.5
Leather shoes	928,000 pairs	-16.1
Detergent	20,500 tonnes	15.2
Television sets	51,400 units	-24.1
(color TVs)	18,700 units	-20.3
Coal	25.2614 million tonnes	5.6
Crude oil	11.5304 million tonnes	8.2
Crude oil processed	6.4687 million tonnes	0.7
Power output	103.46 million kwh	8.0

**Major Industrial Products and Their Output (Continued)**

Category	1994	Percentage increase over previous year
Pig iron	630,500 tonnes	11.5
Steel	642,800 tonnes	19.9
Rolled steel	568,200 tonnes	23.6
Aluminum	26,500 tonnes	1.5
Cement	4.4423 million tonnes	6.1
Plate glass	504,100 cases	-17.5
Timber	212,700 cu. meters	-27.9
Sulfuric acid	71,900 tonnes	31.9
Fertilizer (pure ingredients)	357,300 tonnes	6.8
Plastic goods	90,300 tonnes	44.5
Tires	470,100 units	20.0
Small tractors	22,600 units	45.8
Combines	605 units	202.5

Industrial enterprise economic returns continued to decline. For industrial enterprises authorized to keep independent accounts, the combined index of their economic returns was 70.6 percent, or 14.5 percentage points lower than in 1993 and approximately 30 percentage points lower than the national average. The combined index included 95.3 percent marketing efficiency, 4.7 percent profits and taxes yielded by funds, and 0.5 percent profits yielded by costs and expenses, which were, respectively, 1.6, 0.9, and 1.6 percentage points lower than those of the preceding year. Circulating funds turned over 1.15 times, or 0.37 times less than a year before, and the overall industrial and economic efficiency remained quite low.

The main problems affecting industrial production were: sluggish reform, lack of enterprise vitality, and sluggish industrial restructuring and product mix adjustment; too many outstanding payments for technological upgrading and heavy public burdens; and serious shortages of working funds for enterprises, inefficient use of working funds, and serious delinquent debt payments between enterprises.

The construction industry developed steadily. As investments in fixed assets continued to expand, the construction industry actively geared its business to market needs while deepening reform, which has revitalized the industry. Construction projects completed by state-owned construction businesses reached 4.697 billion yuan, the all-person labor productivity reached 28,781 yuan per person, which was 6.3 percent higher than that of the year before; the area of completed housing projects reached 3.448 million square meters [sq m], an increase of 15.4 percent; and 142 contractors tendered bids for building 556,000 sq m of housing projects.

Geological surveying made new headway. In 1994, Xinjiang achieved major successes in finding mineral

deposits and found two mineral deposits—one gold and one copper—with operational value. Major headway was made in three major mining sites—one gold, one copper, and one subterranean water. Several new sites with gold, copper, and coal deposits and subterranean water had their reserves verified.

**3. Investment in Fixed Assets**

Xinjiang's public investment in fixed assets continued to grow in 1994. The growth of investment in central projects was faster than that in local projects, investment projects were restructured for greater efficiency, and key projects were completed satisfactorily.

The region's public investment in fixed assets in 1994 topped that of the year before by 20.4 percent, reaching 29.904 billion yuan. The investment included that in local projects, which increased 17.9 percent and reached 11.383 billion yuan. Of the total investment, state-owned unit investment increased 20.7 percent, reaching 25.795 billion yuan; collective unit investment increased 30.9 percent, reaching 1.122 billion yuan; and investment by urban and rural dwellers increased 27.7 percent, reaching 1.737 billion yuan. Of the state-owned unit investments, 18.178 billion yuan, or an increase of 25.5 percent over a year ago, was invested in infrastructure projects; 4.245 billion yuan, an increase of 13.5 percent, was invested in renovation projects; 638 million yuan, an increase of 19 percent, was invested in commodity housing; and 2.734 billion yuan, an increase of 4.5 percent, was invested in various other projects.

Of the money invested in infrastructure projects, 426 million yuan, or 9.6 percent more than in 1993, was invested in agriculture, forestry, animal husbandry, and fishery projects; 209 million yuan, or a growth of 4.6 percent, was invested in the coal industry; 1.022 billion yuan, or a growth of 22.7 percent, was invested in power, gas, and water projects; 6.249 billion yuan, or a growth of 8.2 percent, was invested in the petroleum industry; and 399 million yuan, or a growth of 27.5 percent, was invested in educational, cultural, and art projects.

Xinjiang's 28 key construction projects proceeded smoothly. Of the eight key projects and six other projects scheduled to be completed, all except the Axi Gold Mine were completed. The completed projects included the renovation and expansion of the No. 8 Xinjiang Steel Works, the second-phase expansion of the Manasi Power Plant to hook up its Nos. 5 and 6 generator units, the construction and test use of the Tacheng Airport, the central heat supply system in Urumqi's Guangming Road, and the bridge across the Yarkant Jiang at Markit. The completion and commission of the Lanzhou-Urumqi double-track railway for communications service ahead of time and the completion of the Xian-Lanzhou-Urumqi optical telecommunications project were especially important for improving Xinjiang's investment environment and promoting Xinjiang's economic development. The completion of key infrastructure projects increased Xinjiang's power generating

capacity by 250,000 kwh, heat supply capacity by 125 tonnes per hour, crude oil output by 2.97 million tonnes, steel output by 150,000 tonnes, cotton textile industry's capacity by an additional 90,000 spindles and 8,000 open-ended spinners, transportation facility capacity with 473 km of additional double-track railway, and long-distance telecommunication capacity with an additional 866.7 km of optical fiber.

#### 4. Transportation and Posts and Telecommunications

In 1994, transportation and posts and telecommunications departments seized the opportunity and took advantage of the fine external environment to improve organization and management, setting new records in production and economic returns.

The volume of cargo handled by various means of transportation was 386.692 million tons, up 2 percent over the previous year. The volume of rail freight was 39.6 billion ton/km, up 5.9 percent; the volume of passenger transport, 316.51 million people, up 0.9 percent; and the rotation volume of passenger transport, 23.9 billion people/km, up 7.7 percent.

The communications network expanded and posts and telecommunications services grew rapidly. The Xian-Lanzhou-Urumqi optical cable project went into operation, greatly expanding the region's long-distance and urban telephone capacity. City telephone switchboards reached 255,000 lines, up 58.4 percent over the previous year. The number of long-distance telephone lines reached 7,684, up 140 percent. Many prefectures and cities upgraded their telephone numbering systems. The business volume of posts and telecommunication departments in the year reached 575 million yuan, up 44.8 percent over the previous year. Of this, express delivery was up 150 percent; telephone pager subscribers were up 48.9 percent; and cellular phone subscribers were up 180 percent. Urban telephone services and new means of telecommunications developed rapidly. Over 100,000 telephones were installed during the year, of which over 60,000, or twice the number of household telephones in use in the previous year, were for residents. Twenty-one prefectures and cities started cellular phone services, and 67 prefectures and counties started telephone pager services. All these achievements are hallmarks that the region's telecommunications service have entered a new phase.

#### Volume of Transportation by Various Means

Category	1994	Percentage increase over previous year
Total volume of freight transport	386,692,000 tons	2
Highway	356,262,000 tonnes	1.4
Railway	21,602,000 tonnes	7.0
Civil aviation	18,000 tonnes	1.8
Pipelines	8,810,000 tonnes	12.8

#### Volume of Transportation by Various Means (Continued)

Category	1994	Percentage increase over previous year
Total volume of rail freight	39,600,000,000 tonne/km	5.9
Highway	18,000,000,000 tonne/km	1.7
Railway	20,200,000,000 tonne/km	9.8
Civil aviation	50,000,000 tonne/km	25.0
Pipelines	1,300,000,000 tonne/km	0.0
Volume of passenger transport	316,510,000 people	0.9
Railway	309,490,000 people	0.6
Highway	5,960,000 people	16.2
Civil aviation	1,060,000 people	17.8
Rotation volume of passenger transport	23,900,000,000 people/km	7.7
Highway	15,800,000,000 people/km	3.9
Railway	5,600,000 people/km	12.0
Civil aviation	2,500,000 people/km	19.0

#### 5. Domestic Trade and Commodity Prices in the Market

Urban and rural markets throughout the region enjoyed brisk business, abundant supplies, rich colors and varieties, and steady sales. As a result, a buyer's market became the main characteristic in market operations. The total value of retail sales was 19.626 billion yuan, up 16.8 percent over 1990. When price increases were factored in, it was actually a decrease of 7 percent. Retail sales in urban areas was 11.217 billion yuan, up 16.7 percent over the previous year while those in rural areas rose 18.5 percent to 8.409 billion yuan. Of the total retail sales, the value of consumer goods sold by peasants to the nonagricultural population totaled 2.088 billion yuan, an increase of 34.4 percent over the previous year.

In terms of economic sectors, the value of retail sales in the state-owned economic sector rose 12.8 percent to 10.016 billion yuan; that in the collective economic sector declined 21.7 percent to 2.122 billion yuan; that in the private business sector rose 23.4 percent to 0.371 billion yuan; and that in the individual business sector grew 27.7 percent to 4.581 billion yuan.

Supplies of agricultural capital goods were fairly abundant, and prices began to fall after a rise. As manufacturing enterprises directly entered the market and circulation channels increased, material procurement and marketing enterprises began to have less business and to experience increasing losses. The amount of materials procured by material supply and marketing enterprises at or above the county level declined 24.4 percent from the previous year while the amount sold dropped 19.7

percent. As a result, the material supply and marketing sector experienced losses unseen in previous years. Total losses for the year were 25 million yuan, and about 49 percent of the enterprises reported losses.

Price reform further deepened. In 1994, the autonomous region eliminated the gap between the prices for products within planned quotas and products in excess of them, in the case of crude oil and oil products, and adjusted grain procurement and marketing prices and the cotton procurement price. Pursuant to the State Council's unified arrangement, it initiated a system for supervising and controlling the prices of 25 consumer goods essential to people's daily life and a system of applying for raising the prices of those goods. It also extensively implemented a system of marking commodity prices and carried out in-depth general inspection of commodity prices. A number of regions promulgated laws and regulations on funds for regulating nonstaple food prices and on combating profiteering. These laws and regulations were important steps toward regulating market prices in accordance with the law. The series of reform measures played a positive, motivating role in correcting the situation that the prices of basic products were too low in the region, in curbing commodity price increases, and in developing price mechanisms in a socialist market economy. Because of the rise in production costs, the acute imbalance between supply and demand of some major nonstaple food items, and the effect of external markets and other macroeconomic environments, the overall price index of retail sales in the region and the urban and rural consumer price index all showed large-margin increases. Compared with 1993, the overall price index of retail sales in the region rose 25.7 percent, while the urban and rural consumer price index grew 26.7 percent.

#### Percentage Increase in Various Prices in 1994 Compared With 1993

1. Overall index of retail prices	25.7
Urban areas	26.2
Rural areas	25.3
Prices of agricultural capital goods	26.8
2. Consumer price	26.7
Foodstuff	35.9
Grain	42.1
Edible oil	88.5
Meat, poultry, and their products	39.3
Eggs	15.5
Fresh vegetables	41.2
Clothing	17.9
Household equipment and appliances	15.8
Medical and health products	23.4

Transportation and telecommunications equipment	9.3
Entertainment, education, and cultural products	14.9
Dwelling commodities	22.1
Service items	21.8
3. Procurement prices of energy and raw and semifinished materials	10.0
4. Producer price of manufactured goods	18.4
5. Prices of investment in fixed assets	12.3
6. Farm produce procurement prices	49.3

#### 6. Economic Relations With Foreign Countries

The autonomous region vigorously and steadily reformed the foreign trade system, promoting the development of foreign trade and economic relations with foreign countries. The region's total volume of foreign trade amounted to \$1.023 billion, up 12.2 percent over the previous year. Of the total, the export volume was \$571 million, up 15.3 percent, and the import volume was \$452 million yuan, an increase of 8.5 percent. The international market was brisk, and spot trade increased by a big margin. The spot trade volume amounted to \$510 million, an increase of 52.5 percent over the previous year. Because of a readjusted policy and other factors, the barter trade volume was only \$513 million, a decrease of 11.2 percent as compared with the previous year. Thus, the proportion of barter trade in the total import and export volume dropped 13.2 percent.

Great achievements were made at an Urumqi trade meeting by following the orientation of market diversification and developing omnidirectional trade and cooperation. The volume of business concluded with foreign businessmen at the meeting amounted to \$1.832 billion, and 821 contracts with a total of 3.59 billion yuan were signed with domestic businessmen.

The amount of direct investments by businessmen from abroad and from places other than the region decreased. In 1994, 157 contracts were signed with foreign businessmen, with the total contracted amount of investments being \$85 million; but they actually invested \$48 million. Eighty-four contracts were signed for a total of \$7.29 million to be invested in places other than the region, but the actual investment in 1994 was \$470,000.

Owing to a sharp drop in the number of tourist-shoppers from the CIS, international tourism in the region was slack. In 1994, the region received 161,900 international tourists, a decrease of 32.8 percent. CIS tourist-shoppers dropped 61.6 percent to 48,400. The earnings from international tourism was 384 million yuan, up 6.8 percent.

New achievements were made in attracting investment from other parts of the country. In 1994, contracts signed

with businessmen from other parts of the country involved 4.204 billion yuan, up 48.8 percent. The amount of investment actually realized in 1994 was 669 million yuan, an increase of 27.2 percent.

### 7. Science and Technology

Scientific and technological undertakings developed vigorously. The region scored 296 major scientific and technological achievements, 11 of which won state science and technology awards, and 124 won awards for scientific and technological progress by the regional government. These prize-winning achievements resulted in an annual increase of 2.03 billion yuan in output value and an annual increase of 850 million yuan in profits and taxes. In 1994, the region accepted 608 patent applications, granted 368 patents, and approved six patent agencies. More than 50 patents resulted in an annual increase of 150 million yuan in output value and over 40 million yuan in profits and taxes.

The ranks of scientists and technicians further grew in strength. By the end of 1994, enterprises and institutions in the region had about 420,000 professional technicians, the region had 134 state-owned [guo you 0948 2589] independent research and development institutions at or above the county level, and there were 64 research and development institutions run by colleges and universities and 75 technological development institutions run by large and medium industrial enterprises. Some 17,000 people were engaged in scientific and technological pursuits, 9,000 of whom were scientists or engineers. Some 390 million yuan was raised for scientific and technological activities, 80 million yuan of which was used for research, development, and experimentation. Research projects undertaken totaled 2,198, and 1,173 of them were research, development, and experimental projects. People-run scientific research institutions developed rapidly, and there are now 315 of them. In 1994, 40 new people-run scientific research institutions were set up.

The technology market expanded. In the region, 799 technology contracts were signed, and the volume of technology trade amounted to 183 million yuan, up 61.9 percent.

Some progress was made in promoting zones for the application and development of high technologies. We organized and implemented 29 "Torch" Program projects, with a total investment of 2.80 billion yuan. It was estimated that these projects created an output value of 1.3 billion yuan, benefit and tax of 420 million yuan, and export earnings of \$16 million. By the end of October 1994, 275 enterprises had registered with the Urumqi High Technological and Industrial Development Zone, with registered capital funds of more than 500 million yuan. Among them, 198 enterprises are in the high technology business. Fairly good progress was made in the work of "developing Xinjiang by relying on scientific and technological progress." Ten projects aimed at "developing Xinjiang by relying on scientific

and technological progress" were completed and 100 million yuan in economic results produced in 1994. For example, the "slag, mineral waste residue, and cement" project created an output value of 24 million yuan and benefit and tax of 10 million yuan; the project for the "development and production of a new drug for diabetics" created an output value of 5 million yuan. We sponsored the "1994 National Invention and Patent Fair and the meeting for promoting exchanges and cooperation between Xinjiang and 100 economically advanced counties," which played a role in introducing technology and promoting science and technology and economy in our region. Remarkable results were achieved in the Spark Plan. By the end of 1994, 680 Spark Plan projects had been carried out, with a total investment of 850 million yuan. The projects created an output value of 1.83 billion yuan and benefit and tax of 410 million yuan. The region spent nearly 200,000 yuan for the Spark Plan's training project. A total of 50,000 people of various professional categories from rural and pastoral areas were trained. We organized and participated in the first national exhibition of the Spark Plan's fine scientific-technological products, jointly sponsored by the State Science and Technology Commission and Chengdu. A total of 14 products made by eight Spark enterprises were selected to participate in the exhibition. Of these 14 products, six won gold medals, and the exhibition group from our region won the best group exhibition award.

### 8. Education, Culture, Public Health, and Sports

New progress was achieved in educational undertakings. Regular higher education basically maintained a stable scale. The region enrolled 156 graduate students last year. The number of students pursuing graduate studies was 384. Regular institutions of higher learning enrolled 11,900 four-year undergraduate and junior college students last year, or 9.8 percent less than the previous year. The number of college and university students stood at 43,300 last year, an increase of 10.7 percent over the previous year. Secondary professional and technical education witnessed rapid development, with a student body of 168,500 (including 43,600 students who were enrolled in skilled workers' schools), accounting for 55 percent of total high school-level students. New achievements were made in popularizing compulsory education. The numbers of students attending regular junior high and elementary schools was 585,700 and 2.1059 million respectively, or an increase of 33,300 and 66,500 students respectively. About 83.6 percent of elementary school graduates entered regular or professional junior high schools. About 7.2 percent of regular junior high school students dropped out of school, representing an increase of 1.2 percent over the previous year. The primary school dropout rate declined from 2.4 percent in 1993 to 2 percent last year, signaling that the school dropout problem among primary school students was under control. However, the middle school dropout rate continued to climb. Adult education was strengthened. Adult higher education institutions took in 22,200 new

regular and special program students (including correspondence and night school students enrolled in regular institutions of higher learning), up 10.5 percent. Total student enrollment was 50,700 students, showing a net increase of 14,300 or 39.3 percent. There were 54,600 students in adult secondary specialized schools, down 4.2 percent; and 234,400 students in adult junior secondary and primary schools, up 9.9 percent from the previous year. A total of 100,000 people became literate in 1994.

Cultural undertakings developed soundly. There were 89 artistic groups, 92 cultural centers, 63 public libraries, eight museums, 134 archives, 30 radio stations, 41 mediumwave and shortwave radio transmitters and relay stations, and 30 TV stations in various parts of the region. The region had 2,123 film projection units, which entertained 50 million viewers with 50,000 showings. The numbers of viewers and showings declined 64 and 78 percent, respectively. The region produced four feature films and 13 episodes of three TV dramas; dubbed 1,411 motion pictures and TV films into minority nationality languages; and distributed 380 new motion pictures. Radio broadcasting covered 70.5 percent of Xinjiang's population, while TV covered 72 percent. A total of 230 million copies of newspapers, 70 million in minority nationality languages; 57.5 million copies of books, 26.55 million in minority nationality languages; and 10.1 million copies of magazines, 6.8 million copies in minority nationality languages, were published during the year.

Public health undertakings progressed steadily. By the end of 1994, there were 3,907 medical organizations—including 1,273 hospitals—127 more than in 1993. There were 67,000 beds, up 1.5 percent. There were 90,000 health workers and technicians, up 2.6 percent. Of the total, 38,700 were doctors, up 4.9 percent; and 26,000 were nurses, up 2.9 percent. There were 29,300 health workers and technicians of minority nationalities, up 0.3 percent.

New achievements were made in sports. In 1994, Xinjiang's athletes won three world titles (including one group title) and one gold medal at the Asian Games. They also won five gold medals, seven silver medals, and three bronze medals at formal national competitions. Twenty-four athletes broke 42 regional records in 34 sports events. Mass sports activities flourished. Traditional sports of minority nationalities were strengthened. Xinjiang successfully held the Third Regional Sports Games for Minority Nationalities. A total of 3,800 sports meets at and above township and town levels, with the participation of 80 million people, were held in the region; 1.04 million people reached the national standard for physical exercise.

#### 9. Population and People's Lives

According to a 1994 survey on regional population changes, the birthrate of the region's population was 20.82 per thousand and the deathrate was 7.43 per

thousand, which brings the natural population growth rate to 13.39 per thousand. By the end of 1994, the region's population was 16.327 million people, a net increase of 274,400 people from 1993. Of the total, 10.1666 million were ethnic minorities.

The labor structure in cities and towns gradually became rational. The number of employment agencies at all levels rose to 360, and 110,000 people were given new jobs in cities and towns. The year-end unemployment rate in cities and towns was 3.8 percent. By the end of 1994, there were 3.149 million workers, 16,000 less than at the end of 1993. Of the total, 435,000 people, or an additional 39,000 people, were contract workers. Self-employed workers in cities and towns in 1994 totaled 249,000 people, or an increase of 27,000 people.

People's incomes increased. According to a survey, the per capita living expenditure income for residents in cities and towns was 2,869 yuan, up 29.5 percent from 1993, or a real growth of 1.4 percent when allowing for price increases. The per capita net income of rural residents was 935.5 yuan, up 20.2 percent from 1993, or a real growth of 5.5 percent when allowing for price increases. The increase in the per capita net income of peasants in 1994 was the highest in Xinjiang in the past years.

The wages of workers and staff members increased. The total wages of workers and staff members were 12.88 billion yuan, up 25.3 percent from 1993. The average wage of workers and staff members, in terms of cash received, was 4,081 yuan, up 26.0 percent, but when allowing for price increases, the effective pay level dropped slightly.

Savings deposits of city and town residents increased by a large margin. At the end of 1994, savings deposits of city and town residents totalled 34.771 billion yuan, up 10.359 billion yuan or 42.4 percent from the figure in 1993.

The insurance sector continued to develop. Premiums for various kinds of property insurance in the region totaled 60.586 billion yuan, up 34.3 percent from 1993. In the region, 6,917 enterprises participated in enterprise property insurance programs, 821,800 households participated in household property insurance programs, and 1.9414 million people participated in life insurance programs. Insurance companies handled 93,200 claims of domestic property loss and paid an indemnity of 204 million yuan for settled cases. Another 27,486 million yuan was paid to 22,500 people as reparations in life insurance programs.

Social welfare was further improved. There were 6,933 beds with 6,589 occupants in social welfare institutions. A total of 26,800 elderly people without families and orphans received support from the collective. Some 185,000 people who were in need of social aid in urban and suburban areas received state relief funds. In 163

villages and towns across the region, rural social security networks were established, with 1,693 community service facilities built.

Environmental protection was strengthened. Region-wide, 1,432 workers and staff members worked in the environmental protection sector, which consisted of 45 environmental monitoring stations, three state-level natural reserves, and six regional-level natural reserves. The sector completed 165 environmental pollution projects that required timely handling with 22.216 million yuan in investment. By the end of 1994, 101 soot-control zones covering an area of 173.5 square km were established in 15 cities, and 44 zones with noise pollution controlled to a certain level and covering 113.3 square km were established in 14 cities.

#### 10. Production and Construction Corps

The Xinjiang Production and Construction Corps made new progress in regional economic, scientific and technological, and social development, reaping 9 billion yuan GDP in 1994, or 11 percent more than in 1993.

In agricultural production, the corps made new progress in deepening the reform of farms, transforming the operating mechanism, developing agriculture that "produces higher economic returns and better and greater yields," consolidating the role of agriculture as the foundation of the economy, and reaped a good harvest. The total value of agricultural production in 1994 was 7.2 billion yuan, up 9 percent from 1993. Grain production was 1.108 million tonnes, down 21.6 percent from 1993; cotton production, 333,000 tonnes, up 35.4 percent; production of oil-bearing crops, 127,000 tonnes, up 49.2 percent; and beet production, 1.076 million tonnes, up 34 percent. By the end of 1994, the corps had 3.085 million head of livestock, up 5.4 percent from 1993, and meat production increased 11.1 percent from 1993 to 59 billion tonnes in 1994. Village and town enterprises showed powerful growth, with the gross value of social products increasing 56 percent from 1993.

Industrial production growth was maintained. The total industrial output value increased 7.6 percent from 1993 to reach 9.28 billion yuan in 1994, with the output value of heavy industry dropping 0.88 percent, but that of light industry increasing 10.2 percent. The sales rate of industrial products was 96.6 percent. Among the major industrial products, the output of cloth increased 32 percent, yarn 49 percent, clothing 50.8 percent, canned products 73.9 percent, dairy products 35.8 percent, sulphuric acid 22.6 percent, and goffer 10 percent.

The corps invested 2.63 billion yuan in fixed assets in 1994, up 22.8 percent from the 1993 figure, and the total output value of its construction undertakings was 2.44 billion yuan, or 7 percent more than 1993.

The retail sales of goods for social consumption totaled 3.4 billion yuan in 1994, up 15.5 percent from 1993.

Progress was also made in foreign trade, with the total volume of import and export trade increasing 4.2 percent from 1993 to reach \$141 million in 1994.

The lives of workers and staff members had clearly improved. When allowing for price increases in consumer products, the average wage of workers and staff members increased 3.8 percent from 1993, with wages of those who worked on farms increasing 6.5 percent.

The corps made new progress and scored new achievements in science and technology, culture, education, public health, family planning, sports, environmental protection, and other social undertakings.

#### Notes:

1. The total output values quoted in the communique are calculated in terms of prices for the respective years, and the growth rates are calculated in terms of comparable prices.
2. Some of the figures quoted in the communique are from annual bulletins.
3. Village and town enterprise figures cover the production and construction corps.

**'Special Article' Criticizes Threat Theory**  
HK0903043895 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 1109 GMT 8 Mar 95

[Special article by Chu Ke (2806 1356): "Taiwan Mis-  
takenly Uses 'Theory of Mainland Threat'"]

[FBIS Translated Text] Hong Kong, 8 Mar (ZHONG-  
GUO TONGXUN SHE)—Shortly after Chinese Presi-  
dent Jiang Zemin issued the eight-point policy proposal  
on Taiwan, Liu Ho-chien, Taiwan's "chief of general  
staff," suddenly made some astonishing remarks at an  
academic forum held on 24 February, saying that a  
certain artillery unit, armed with M-class missiles and  
which had originally been stationed in Jiangxi, had been  
"pushed forward" to Fujian.

Shen Guofang, the spokesman of the Chinese Ministry of  
Foreign Affairs, refuted these remarks on 3 March,  
stating that they were "entirely groundless."

People in Taiwan's academic and media circles also  
expressed doubts over these remarks by the military.  
They pointed out that the mainland has quite advanced  
missile technology and has both long-range and intercon-  
tinental missiles [sentence as published]. Any of the  
medium and long-range missiles could easily hit every  
part of Taiwan. Therefore, it is not necessary for the  
mainland to move M-class missiles from Jiangxi to  
Fujian, which is closer to Taiwan.

However, on 7 March, 10 days after publishing its  
"mainland threat theory," Taiwan's military carried out  
more large-scale military exercises in the central coastal

area. The exercise, named "Chang Tai the 13th,"  
involved more than 4,000 servicemen, 800 armored  
vehicles and artillery pieces, and many scout and attack  
helicopters. Moreover, it received exceptional media  
coverage by various reporters in a big way. From the  
television and press reports we can see that the military  
exercise was carried out just "for show."

Of course, what provides most food for thought is: What  
is the real intention of the Taiwan military in putting  
forward the "mainland threat theory" and carrying out  
major military exercises publicly after Jiang Zemin made  
constructive proposals based on a peaceful solution to  
the cross-strait issue?

Some people said that this is because the Taiwan author-  
ities are apprehensive that the peace proposals made by  
Jiang Zemin might cause the people of Taiwan to lose  
their sense of anxiety. The "mainland threat theory"  
might help sharpen the "vigilance" of the Taiwan  
people.

Whatever intentions they might have, it is still extremely  
unwise for the Taiwan authorities to give publicity to the  
mainland threat theory at this moment. In his "eight-  
point" speech, Jiang Zemin reiterated the consistent  
principle of "Chinese not fighting against Chinese,"  
indicating that the mainland seeks a peaceful solution to  
the cross-strait issue. Under such circumstances, the  
Taiwan authorities have managed to put some gun-  
powder smoke into relations between both sides of the  
strait, which are gradually getting onto the road of  
peaceful consultation. Are they not resisting the trend of  
history?

**Li Calls For Cooperation on Spratly Dispute**

*OW1003022195 Taipei CNA in English 0120 GMT 10 Mar 95*

[FBIS Transcribed Text] Taipei, March 9 (CNA)—President Li Teng-hui, noting the global trend of economic cooperation without military confrontation, said on Thursday that the controversial dispute over the Spratly islands should be resolved at the negotiating table.

[Words indistinct] “Relevant countries should either organize a forum where their representatives can talk face to face or set up corporate organizations to jointly explore the South China Seas” Li said while receiving a delegation from the Atlantic Council, a Washington-based think tank.

Taiwan, Mainland China, Vietnam, Brunei, the Philippines, and Malaysia have made territorial claims over part [words indistinct] the island group, which is reportedly rich in oil reserves.

The nine-member U.S. delegation was led by Stanley Gesor, chairman of the Arms Control Association and a former U.S. secretary of the arms [as received].

Li exchanged views with the guests on a full range of topics, from global affairs to the ties between Taiwan and mainland China, [words indistinct] to a presidential office press release.

Li said the reasons behind Beijing's continued acquisition of weaponry, including Russian-made sophisticated submarines and jet fighters, is still unknown, but he emphasized that, “international issues cannot be addressed by military strength once and for all.”

Li also seized the opportunity to publicize a fact he said has been intentionally ignored. “Since its founding 84 years ago, the Republic of China always has been there and is an independent, sovereign state. For the moment, the two sides are ruled by two separate governments. That fact should in no way be ignored by the international community,” Li said.

Beijing's argument that Taiwan is only a province of the People's Republic of China “can never be accepted,” Li said.

He also emphasized Taiwan's established policy of pushing for the reunification of China. [Words indistinct] is the eventual goal we have been continuously aiming for.”

The meeting also touched on the recent eight-point statement by Chinese mainland President Jiang Zemin—a peace overture Beijing directed toward Taiwan. “One may sense new meaning in the offer, but it is basically an old tune,” Li said.

He said many problems would generate from a proposed meeting between [words indistinct] Jiang. At present, it would be feasible for them to meet at an international gathering, Li said.

Other members of the U.S. delegation included Charles Freeman, a former U.S. ambassador to Saudi Arabia [passage indistinct].

**Kidnapped Realtor Killed in Hainan**

*OW1003121795 Taipei CNA in English 0922 GMT 10 Mar 95*

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, March 10 (CNA)—A Taiwan realtor has been kidnapped and killed in Mainland China's Hainan Province, sources from the southern Chinese island province confirmed Friday.

Li Huan-chang, 36, was reportedly taken away by two Taiwanese and five mainlanders who beat him and smashed furniture at his residence in Hainan's capital city of Haikou last Saturday, according to Haikou public security authorities.

Li's family sought help from Haikou public security authorities and the Taipei-based Straits Exchange Foundation (SEF).

Haikou public security officers said Li was sent to a downtown hospital and later died. He was reportedly taken to the hospital by the kidnappers.

According to Li's brother, Huan-Chang's kidnappers, including two men from Taiwan surnamed Chang and Hsu, demanded a ransom of 1 million renminbi two hours after Li was kidnapped. However, the group discontinued contact with Li's family last Sunday.

**Official Views Opposition to Taiwan's Asiad Bid**

*OW1003121595 Taipei CNA in English 0914 GMT 10 Mar 95*

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, March 10 (CNA)—Beijing's opposition to Taiwan's bid to host the 2002 Asian Games violates Mainland Chinese President Jiang Zemin's recent eight-point statement on Taiwan affairs, a senior Mainland Affairs Council (MAC) official said Friday.

MAC Vice Chairman Kao Koong-lien was commenting on a Mainland China Olympic Committee (COC) allegation that Taiwan is not qualified to host the Asian Games.

“The COC's statement is very inappropriate,” Kao noted. “As a full member of the Olympic Council of Asia (OCA), Taiwan is certainly qualified to host the Asian Games.”

Kao said Taiwan has furnished a letter of guarantee to the Olympic Council of Asia assuring it that athletes and delegates from all OCA member states will be allowed to enter Taiwan freely if Taiwan wins the right to host the games.

"It won't be a problem for Mainland Chinese sports officials to enter Taiwan to attend the Asian Games ceremony now that COC Secretary-General Wei Jizhong and former COC Chairman He Zhenliang have already visited Taipei several times," Kao said.

"We have also promised to fully observe OCA provisions in handling national flags, anthems and opening ceremony issues," Kao noted.

He said he cannot understand why Beijing always seeks to "politicize" sports issues.

Noting that mainland President Jiang said in his "eight-point" statement on Taiwan affairs delivered in late January that Chinese culture is a spiritual link for all Chinese and that Beijing will not prevent Taiwan from developing non-governmental economic and cultural relations with other countries, Kao said the mainland Olympic committee's opposition to Taiwan's Asian Games bid apparently contradicts Jiang's statement.

As sport is an important part of cultural exchanges, Kao said, Beijing should stop boycotting Taiwan's Asiad bid. "If Mainland China supports our bid, we'll further ease restrictions on cultural sports and cultural exchanges across the Taiwan Strait," he added.

Kao also called public attention to Beijing's two-faced strategy toward Taiwan, saying Mainland China, while opposing Taiwan's bid to host the 2002 Asian Games, has recently invited Taiwan to send athletes to take part in its inter-city sports competition.

Commenting on a Kaohsiung Mayor Wu Tun-yi's plan to head a delegation to Beijing to lobby for mainland support of the southern Taiwan city's bid to host 2002 Asian Games, Kao said under current government policy, senior officials can visit the mainland only to attend international conferences or activities.

### Taiwan Seeks Increased Trade Ties With EU

OW1003121695 Taipei CNA in English 0946 GMT 10 Mar 95

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, March 10 (CNA)—Strengthening trade ties with the European Union (EU) is a top priority for Taiwan, Ministry of Economic Affairs officials said Friday [10 March].

In light of Taiwan's growing deficit with EU nations, which hit U.S.\$630 million in 1994, more effective measures are needed to promote trade with EU nations, they said.

Among the measures mapped out by the government are plans to closely monitor the integration of the EU market, with special attention paid to tariff changes, import quotas and product verification, all of which affect Taiwan product exports to Europe.

The 15-member EU is one of Taiwan's top trade partners, the officials said, noting that the area has a combined gross domestic product of U.S.\$6.752 trillion.

The officials attributed the growing deficit to the formation of the EU single market as well as Taiwan's six-year national development plan and recent weapons purchases.

Britain, Germany and France also launched major promotion campaigns in Taiwan last year, they said.

Among the measures to address the growing deficit, the government will try to upgrade the level of official consultations between the two sides. The Board of Foreign Trade (BOFT) will also hold bilateral trade consultation with the EU March 27-28.

The Ministry of Economic Affairs plans to hold trade talks with the Netherlands and Britain as well as conduct economic and technical cooperation meetings with Britain, the Netherlands, Germany and Belgium, the officials said.

The government will also try to talk with EU nations on signing agreements to avoid double taxation to encourage investments between Taiwan and EU.

Other measures include encouraging technological cooperation with EU nations to upgrade domestic industry and to push for European manufacturers to participate in Taiwan's aerospace and environmental protection industries and transfer technology for the production of 66 key parts and components.

The government will also continue to talk with the EU to win support for Taiwan's bid to enter the General Agreement on Tariffs and Trade and seek to take part in dialogues with Organization for Economic Cooperation and Development.

Talks will be held with EU nations to discuss product verification and increased protection of intellectual property rights, they added.

## Hong Kong

### Minister Offers Deng Special Train for Visit

HK1003063395 Hong Kong AFP in English 0501 GMT 10 March 95

[FBIS Transcribed Text] Hong Kong, March 10 (AFP)—It may be wishful thinking on the part of a Chinese rail minister, but a special train will be available on the day China resumes sovereignty over Hong Kong to fulfill ailing paramount leader Deng Xiaoping's dream. Deng, 90, has long expressed the wish to visit Hong Kong after China takes it back in 1997 from Britain, "even in a wheelchair".

Chinese railways vice minister Guo Lin told Hong Kong reporters in Beijing on Thursday [9 March] that the railway ministry would do everything in its power to make that dream come true by providing a "special train" to run on the Beijing-Kowloon railway, which will be operational early next year. "I will, on the day of Hong Kong's takeover in 1997, operate a special train ... to fulfill the long-cherished wish of (China's) reforms chief designer Deng Xiaoping," Guo said.

Time and ill health may scupper the best efforts of the railway department. Deng has not been seen in public for over a year, and rumours are growing in Hong Kong and elsewhere that China's elder statesman may not have many trips left in him.

Guo's remarks were widely interpreted here as part of Beijing's move to reassure foreign countries that Deng is not on his death bed, and that his eventual demise will not affect China's stability.

In recent months, speculation on Deng's health has reached fever pitch in the territory with newspapers claiming he was in a coma, after his youngest daughter, Deng Rong, in an interview with the New York Times January, said her father's health was declining day by day. However, the younger Deng claimed, while visiting New York last month to publicize her book about her father, said she was misinterpreted in the interview.

The 2.5 billion yuan (298 million US dollar) Beijing-Kowloon railway will be completed by the end of the year, and will be operational next year, mainly carrying cargo at first, Guo said. He said the new 2,381-kilometer (1,476-mile) railway, would eventually also carry passengers but no date was given.

### Lu Ping Blames Britain for Appeals Court Delay

HK1003024495 Beijing ZHONGGUO XINWEN SHE in English 1349 GMT 9 Mar 95

[FBIS Transcribed Text] Beijing, March 9 (CNS)—Lu Ping, director of Hong Kong and Macao Affairs Office under the State Council, said today that it was the British side rather than the Chinese side that should be held responsible for delay of the Hong Kong's Court of Final Appeal (CFA) regulations.

He said in as early as April 1991, the Sino-British Joint Liaison Group (JLG) had reached an agreement on composition of Hong Kong's CFA. However, due to various reasons, the British side had not delivered the draft regulations of CFA to the Chinese side until mid-1994. In January 1995, the British side, after making some amendments, re-delivered the draft regulations to the Chinese side. Therefore, it was the British side but not Chinese side that should be held responsible for the delayed completion of above-mentioned regulation.

Lu said the Chinese side hoped that Hong Kong's CFA could be set up before 1997 in accordance with the agreement reached in 1991. But the Chinese side had to prepare for the worst in case the CFA was not set up before 1997, they (the Chinese side) would go ahead with the court of final appeal of the SAR, according to the Basic Law, as soon as possible after June 30, 1997.

He pointed out that the CFA issue was a complicated one which involved some sensitive problems such as jurisdiction so both sides must hold further negotiations.

### Patten Defends Rule of Law, Meets Leaders

HK1003054895 Hong Kong SOUTH CHINA MORNING POST in English 10 Mar 95 p 1

[By Ray Heath in Singapore]

[FBIS Transcribed Text] A firm defence of Hong Kong's move to greater democracy and free elections was made by Governor Chris Patten in Singapore yesterday.

During a speech which countered criticism of his reform programme voiced by Singapore's Senior Minister, Lee Kuan Yew, in Hong Kong in December 1992, Mr Patten argued in favour of the rule of law, political freedom and freedom of expression.

Addressing a breakfast gathering of senior politicians and business leaders, Mr Patten said it was the rule of law which underpinned Hong Kong's prosperity.

"Without the rule of law, what is there? The law of club and fang. Without it, no market economy, but a jungle economy—dog eat dog, might makes right, every man for himself," he warned the audience at the Fortune Global Forum.

Mr Patten made no direct reference to remarks made by Mr Lee when addressing the University of Hong Kong in 1992, but it is known in government circles that he had been waiting for the opportunity to reply. Mr Lee had said implementing greater democracy in Hong Kong was sending all the wrong messages to a Beijing concerned the West was conspiring to cause instability on the mainland.

But Mr Patten, who has made it his platform that democracy offered protection to the rule of law, said yesterday the proof of the Hong Kong system was the

number of mainland firms which had set up in Hong Kong, needing its offices to service export contracts.

Mr Patten later had a 55-minute meeting with Mr Lee, and met Singapore's Prime Minister, Goh Chok Tong, and Deputy Prime Minister Brigadier-General Lee Hsien Loong.

The Governor disclosed no details of his talks with Mr Lee or other government members, but, describing his talks with the Senior Minister said: "I find conversations with him as stimulating as any I have had with any political leader. They are in the same class as those I have had with Lady Thatcher or Henry Kissinger. I have always been struck by the Senior Minister's concern that Hong Kong should continue to succeed and prosper. I don't think the Government here or senior business people see that it would help them if Hong Kong ceased to be a success story, and that is genuine."

"We have from time to time had differences, there are differences between the Senior Minister and myself and they go back a long time. I have never been a member of the Socialist International," he added.

### Coverage of Preliminary Working Committee Session

#### Panel Studies Committee's Plans

SK1003055795 Beijing XINHUA Domestic Service in Chinese 2143 GMT 9 Mar 95

[By reporter Fang Jin (2455 3866)]

[FBIS Translated Text] Beijing, 9 March (XINHUA)—The Political Affairs Panel of the Preliminary Working Committee of the Hong Kong Special Administrative Region [SAR] Preparatory Committee held its 15th meeting in Beijing on 8 and 9 March.

The meeting discussed the establishment of the Hong Kong SAR Basic Law Committee of the Standing Committee of the National People's Congress [NPC] and the swearing-in of relevant Hong Kong SAR personnel. Members offered some specific suggestions concerning the oath and the procedures of the swearing-in of the relevant Hong Kong SAR personnel.

The specific plan the members offered for the establishment of the Hong Kong SAR Basic Law Committee follows:

The members held: The Basic Law Committee is the working committee established under the NPC Standing Committee. It will be officially established on 1 July 1997 when the basic law is to be enforced. It is suggested that the NPC Standing Committee publish a list of names of members of the Basic Law Committee in June 1997. The tenure of the Basic Law Committee is five years.

The Basic Law Committee will be composed of 12 members, six from the mainland and six from Hong

Kong, including persons from the law circles. It is suggested that the members of the Basic Law Committee include the former members of the Basic Law Drafting Committee; and that the committee have one chairman and one vice chairman.

Members of the Basic Law Committee will be appointed by the NPC Standing Committee. Among them, Hong Kong members are nominated jointly by the SAR administrative leaders, the chairman of the Legislative Council, and the chief judge of the court of last instance and submitted to the NPC Standing Committee for appointment. As the first Legislative Council of the Hong Kong SAR has not been established, it is suggested that the chairman of the interim SAR Legislative Council participate in the joint nomination.

The members of the Basic Law Committee must support the principle of "one country, two systems," support and be familiar with basic laws, and understand the Hong Kong situation. The Hong Kong members must be Chinese citizens who are permanent residents of the SAR and who have no right of residence in foreign countries.

Regarding the functions and powers of the Basic Law Committee, the members held: Based on the stipulations of the basic law, the Basic Law Committee, at the request of the NPC Standing Committee, offers opinions on how the laws formulated by the legislative organs of the Hong Kong SAR conform to the basic law's articles concerning the affairs under central administration and the relations between the central authorities and the Hong Kong SAR; offers opinions on the additions and deletions of the national laws applicable to the Hong Kong SAR as listed in the appendix no. 3 of the basic law; offers opinions on the issues to explain the articles concerning the affairs under the administration of the central people's government or the relations between the central authorities and the Hong Kong SAR; and studies and offers opinions on the proposal for revising the basic law, which is planned to be submitted to the NPC.

The Political Affairs Panel will hold its 16th meeting in Beijing on 19 and 20 April.

#### Committee Adjourns, Decisions Announced

HK1003021995 Beijing ZHONGGUO XINWEN SHE in English 1423 GMT 9 Mar 95

[FBIS Transcribed Text] Beijing, March 9 (CNS)—The 15th meeting of the Political Subgroup of the Preliminary Working Committee (PWC) for the Hong Kong Special Administrative Region (SAR) lasting two days, was adjourned today.

Yesterday, members held discussions on the electoral report submitted by the electoral affairs panel in Hong Kong. Some concrete opinions were reached.

At today's session, members discussed the setting up of a Basic Law Committee under the SAR attached to a

working committee under the Standing Committee (SC) of the National People's Congress (NPC), and the assumption of office by oath for senior officials of the SAR. Members were keen to express opinions as to the wording of the oath and the procedures to be taken.

After the meeting, conveners Leung Chun-ying and Xiao Weiyun met the media and gave a briefing on the meeting's content of the last two days.

As to formation of the SAR Basic Law Committee, members provided the following format:

1. Relationship The Basic Law Committee will be a working group attached to NPC Standing Committee.

2. Date of establishment The Basic Law Committee will become functional as soon as the Basic Law becomes effective on July 1, 1997. NPC Standing Committee was recommended for announcing the names of the committee members in June 1997. The term of office will be five years.

3. Composition of the Basic Law Committee The committee will be composed of 12 members with six from Hong Kong and six from the Mainland, and members should include legal practitioners.

4. Appointment of members of the Basic Law Committee Members of the Basic Law Committee will be appointed by NPC Standing Committee. For Hong Kong members, they are to be co-nominated by the Chief Executive Officer (CEO) of the SAR, Chairman of the Legislative Assembly and the Chief Justice of the Court of Final Appeal for submission to the NPC Standing Committee. Prior to the establishment of the first Legislative Assembly of the SAR, it was suggested that nomination of the members would be made by the Chairman of the Provisional Legislative Assembly of the SAR.

Members of the Basic Law Committee must support the "one country, two systems" policy, be familiar and supportive of the Basic Law and have a good knowledge of Hong Kong. For Hong Kong members, they must not hold any right of abode granted by foreign countries and must be Chinese permanent citizens of the SAR.

##### 5. Terms of reference.

5.1 In accordance with section 17 of the Basic Law and upon request by NPC Standing Committee, members are empowered to provide opinions in relation to law-making procedures, and supervise legislations as stipulated in the Basic Law.

5.2 In accordance with section 18 of the Basic Law and upon request of NPC Standing Committee, members are empowered to provide opinions on the addition or

deletion of nationwide legislations applicable to the SAR, as in appendix number three of the Basic Law.

5.3 In accordance with section 158 of the Basic Law and upon request of NPC Standing Committee, members are empowered to provide opinions on interpretation of provisions regarding affairs controlled by the central government and relationships between the central government and the SAR.

5.4 In accordance with section 159 of the Basic Law and upon request of NPC Standing Committee, members are empowered to provide opinions on amendment of procedures of the Basic Law to be submitted to NPC Standing Committee.

The next meeting of the Political Sub-Group will be held in Beijing on April 19,20, 1995.

#### Sino-British 'Coordination Committee' Praised

SK1003031795 Beijing XINHUA Domestic Service in Chinese 1642 GMT 9 Mar 95

[By reporter Sun Chengbin (1327 2110 2430)]

[FBIS Translated Text] Hong Kong, 9 Mar (XINHUA)—Zhang Liangdong, chief Chinese representative to the Sino-British Coordination Committee on Large Cross-Border Capital Construction Projects, said today that the work of this coordination committee has already seen a good beginning, and both sides may conduct work at the specialist-level to prepare for the convocation of the plenary session slated for April.

From 6 to 8 March, members and relevant specialists to this coordination committee conducted on-the-spot investigations in Zhuhai, Shenzhen, and Hong Kong. A seminar was then held in Hong Kong on the morning of 9 March to exchange initial views on related cross-border capital construction projects.

In an interview with reporters after the seminar, Zhang Liangdong stated: The current activities are very successful and "very important to the future work of the committee." The three-day investigation and 9 March seminar have allowed members, specialists, and relevant departments from both sides of the committee to obtain an even clearer perceptual knowledge about the related projects and ideas, thus laying a good foundation for future work.

(Ishin), chief British representative on the committee, said: The current activities are very satisfactory and successful, and are a very good beginning.

The Sino-British Coordination Committee on Large Cross-Border Capital Construction Projects was founded in December 1994.

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